

HOUSING ELEMENT OF THE LA MIRADA GENERAL PLAN

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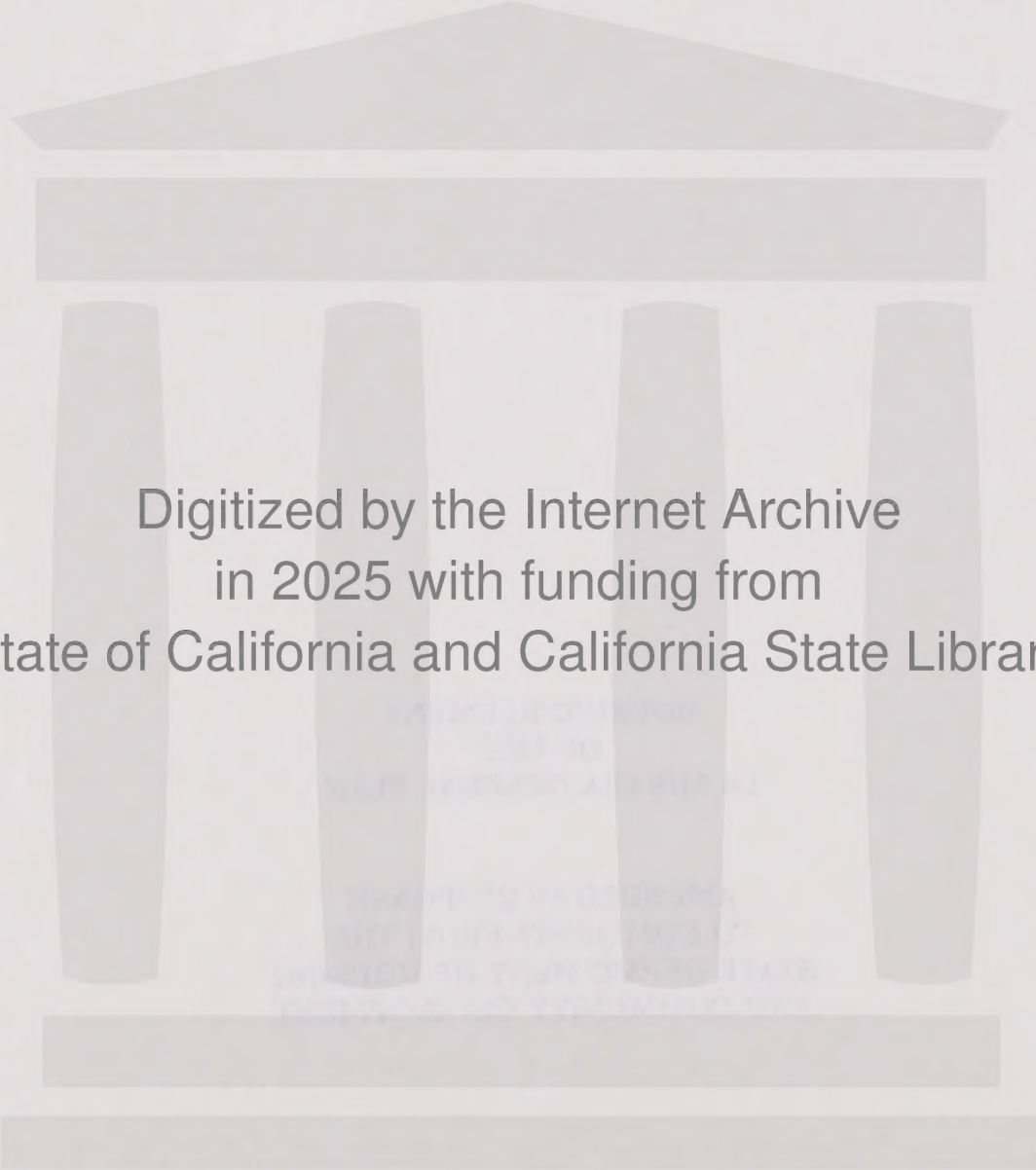
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**HOUSING ELEMENT
OF THE
LA MIRADA GENERAL PLAN**

**AMENDED IN RESPONSE
TO COMMENTS FROM THE
STATE DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**



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INTRODUCTION

AUTHORIZATION

In 1967, the California Legislature made it mandatory for each county and general law city in the State to include a housing element as part of their adopted general plans. In compliance with this statutory mandate, the City adopted a housing element to the La Mirada General Plan in December 1976.

In requiring the preparation of a housing element, Section 65302(c) of the Government Code indicates that the element shall consist of "standards and plans for the improvement of housing and for the provision of adequate sites for housing". This element shall also "make adequate provision for the housing needs of all segments of the community". This legislation further states that housing elements shall be prepared in accordance with guidelines promulgated by the State Department of Housing and Community Development.

The Department of Housing and Community Development initially promulgated guidelines for the preparation of housing elements in 1977. However, these guidelines were subsequently revised and, in 1980, became statutory requirements with the enactment of AB 2853. This legislation also clearly indicates that the guidelines are advisory in nature.

The Housing Element Guidelines, as contained in Title 25 of the California Administrative Code, require that housing elements include: 1) an evaluation of the local housing problem, including an analysis of the capacity of the existing housing supply to provide all economic segments of the community with decent housing; and 2) a housing program consisting of a comprehensive problem-solving strategy adopted by the local governing body which both establishes local housing plans, policies and priorities aimed at alleviating unmet needs and remedying the housing problem, and sets forth the course of action which the locality is undertaking and intends to undertake to effectuate these goals, policies and priorities. Given this legislative background, the Housing Element of the La Mirada General Plan has been prepared in compliance with Section 65302(c) of the Government Code and the Housing Element Guidelines.

PURPOSE AND CONTENT

The Housing Element of the La Mirada General Plan is an official policy statement of the City regarding the type and amount of housing to be provided in the community. In setting forth local housing policy, this element reflects existing conditions and constraints as well as opportunities for improving and expanding the housing supply. This element addresses four specific aspects of housing in the City of La Mirada: 1) quantity or supply; 2) quality or condition; 3) affordability; and 4) accessibility.

As is characteristic of all general plan elements, the housing element is comprehensive, long-range and general in nature. The housing element is comprehensive in that it considers all geographic parts of the City, a full range of housing types and lifestyles, and the needs of all economic segments of the community. The element is long-range since it addresses both immediate concerns and projected housing needs over an extended period of time (i.e., 5 to 20 years into the future). The element is also general in that it discusses policies and programs rather than specific sites and projects.

The housing element is intended to serve as a guide for local decision-making bodies when dealing with housing-related issues. The policies contained in this element will be applied by local decision-makers when evaluating specific projects. This document is intended to be a dynamic, action-oriented planning tool. As such, it will be periodically reviewed and updated, as necessary, in order to respond to changing conditions within the community.

The housing element is divided into seven major sections. The first section of the element is a community profile which discusses both population and housing characteristics. Having documented existing conditions in the community, housing needs are assessed and identified in the second section of the element. The need for expanding the overall supply of housing, while maintaining the quality of existing housing, is discussed. The housing assistance needs of low and moderate-income households are identified in this section and the relevancy of the Regional Housing Needs Assessment is addressed. This section is followed by a discussion of the physical, market and governmental constraints to eliminating or reducing identified housing needs.

The fourth section of the element embodies the City's program for addressing local housing needs. Goals, policies, and priorities which give direction to the local housing program and express the desires and aspirations of the community are contained in this section. These general statements, in turn, have been translated into specific actions that have been or will be taken to address local housing needs. These actions have been programmed in order to facilitate implementation and progress evaluation. The fifth section discusses the need to periodically review and update the element and the procedures for doing so, while the sixth section evaluates the accomplishments of the past five years. The final section addresses opportunities for conserving energy through housing design and construction.

RELATIONSHIP TO OTHER ELEMENTS AND PLANS

The California Government Code requires internal consistency among the various elements of a general plan. Section 65300.5 of the Government Code states that the general plan and the parts and elements thereof shall comprise an integrated and internally consistent and compatible statement of policies. This updated and revised Housing Element is consistent with the other adopted elements of the La Mirada General Plan.

The land use allocations contained in the Land Use Element are supportive of the policies and actions set forth herein and will provide adequate sites to accommodate projected new housing construction. Additionally, the Circulation Element proposes a transportation system which will provide adequate access to work centers, schools, shopping areas, and other destinations for both existing and future residents, while other elements of the General Plan relate to environmental quality, the preservation and conservation of natural resources, and public health and safety. The plans and programs contained in the various elements establish opportunities and constraints for future residential development. As such, the various policies and programs recommended throughout the General Plan were taken in account during the preparation of this Housing Element.

Although the Housing Element presents basic policies and actions for resolving a variety of local housing issues, its implementation is greatly achieved through the City's Zoning Ordinance, Subdivision Ordinance, Building Codes, and Code Enforcement Program. A comprehensive housing program is not complete unless, and until, there is full coordination among these documents as well as between the public and private sectors.

USE OF RELEVANT AND CURRENT DATA

To properly understand housing, a complete review and analysis of the community's population characteristics and housing stock must be performed. An attempt has been made to use the most current socio-economic and building data available in the development of this Housing Element. The primary sources of data are the U.S. Census, 1970 and 1980 reports, and State Department of Finance updates. Where reasonably available, this data was updated with more current information.

The 1988 Regional Housing Needs Assessment, formulated by the Southern California Association of Governments (SCAG), was utilized at the recommendation of the State Department of Housing and Community Development (HCD). The 1988 Regional Housing Needs Assessment is the only model prepared by SCAG which disaggregates housing needs amongst all economic segments of the community.

Finally, the data collected by various sources and utilized in the preparation of this document may reflect totals which are not identical. In most respects, the totals are not as significant as the trends illustrated in the data collected. However, where totals of population and housing counts were reported for the same period, they may have been adjusted to be consistent with the most valid source known.

CITIZEN PARTICIPATION

This Housing Element was developed through the combined efforts of City staff, the Planning Commission, the City Council, and the City's consultant, Willdan Associates. Citizen input was received by means of public hearings conducted before the Planning Commission and City Council on the adoption of this element. In addition, the goals that serve as the basis for this element were formulated with extensive citizen participation during the preparation of the Land Use Element and Preliminary Housing Element in the late 1960s.

COMMUNITY PROFILE

POPULATION CHARACTERISTICS

To effectively determine the present and future housing needs of the City of La Mirada, population variables, such as demographic and socio-economic characteristics and trends, must first be analyzed. The following description of the community makeup of the City of La Mirada is a capsulization of available data from the U.S. Bureau of the Census, the Southern California Association of Governments (SCAG), the State Department of Finance, and various other informational sources.

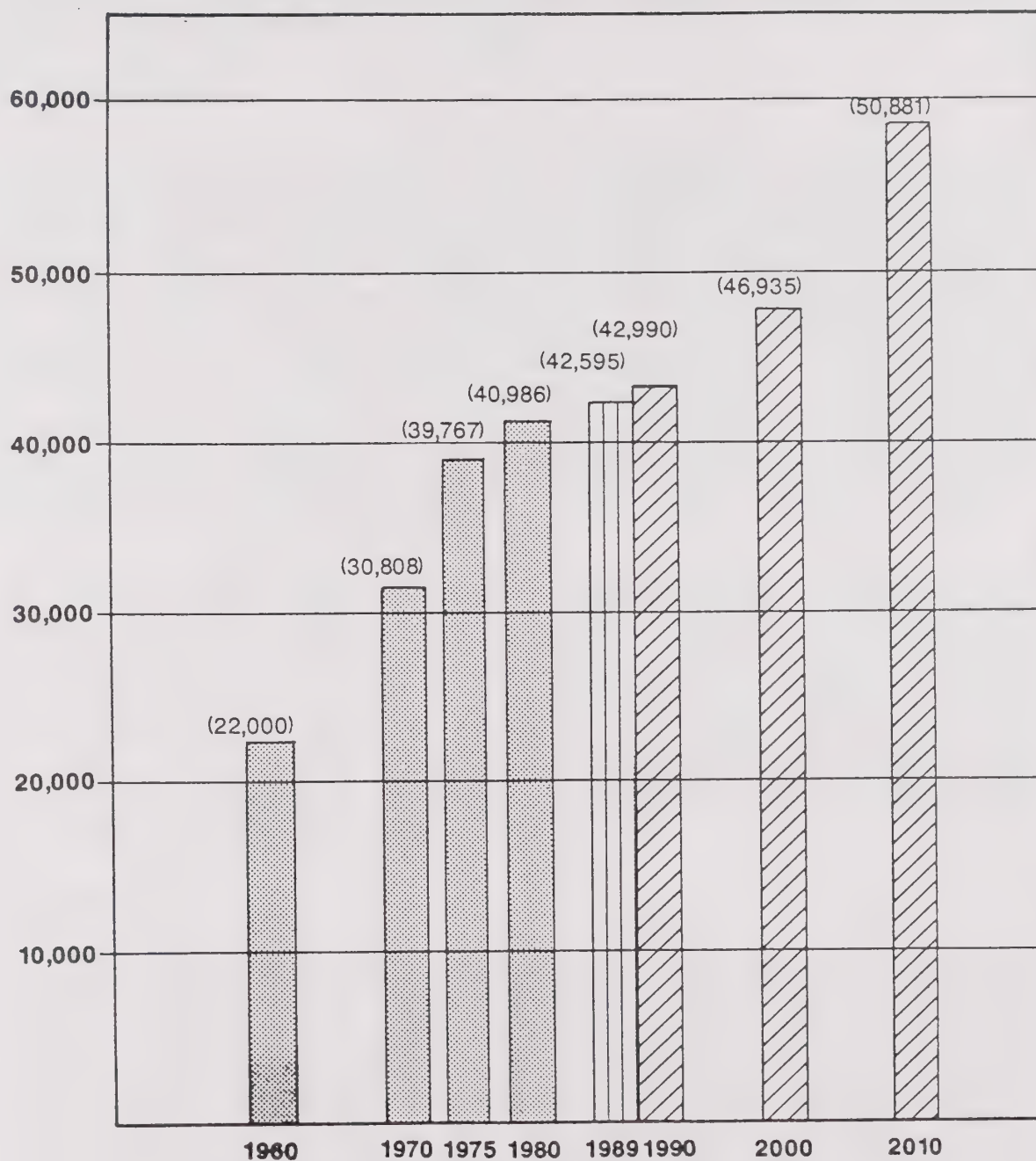
Population Trends

The City of La Mirada was incorporated as a general law city on March 23, 1960. As was the case in many suburban Los Angeles communities, La Mirada shared in the population boom of World War II. Since its incorporation in 1960, the City of La Mirada has grown 86 percent, from 22,000 in 1960 to 40,986 as reported in the 1980 Federal census. The latter figure represents a 33 percent increase in population from the 30,808 persons reported in the 1970 Federal Census and a 3 percent increase over the 39,767 persons reported in a 1975 special census (Figure 1). The City has experienced moderate growth in recent years, increasing its population by 3.9 percent or 1,609 persons between 1980 and 1989. The majority of growth in population, between 1970 and 1980, can be attributed to annexations of land within the City's Sphere of Influence. The current decline in local population growth reflects a greater regional trend and is due to several factors, including: 1) decreasing household size; 2) diminishing land resources available for expansion of the housing stock; and 3) the inability of many young families with children to afford housing within the Los Angeles area.

Population Projections

SCAG periodically publishes growth forecasts for all communities within Southern California. The most recent growth forecast (included as part of the Draft Growth Management Plan) projected a population of 50,881 for the City of La Mirada in the year 2010 (see Figure 1). This figure represents an anticipated net population increase of 19.4 percent over the 21-year period. By comparison, the City's population increased 39.5 percent from 1970 to 1989. Hence, the City's population growth rate is anticipated to decrease by as much as 50 percent over the next 20-year period, when compared to the last 19-year period.

In light of the foregoing data, it is projected that the City's population growth over the next 21 years will be a function of many variables, e.g., household size, new development types and densities, economic conditions, fertility rates, and political concerns among others. As a result, this study will consider a forecast range based on the Draft Growth Management Plan projection.



Sources :



U.S. CENSUS



STATE DEPARTMENT OF FINANCE, 1989



SCAG DRAFT GROWTH MANAGEMENT PLAN, 1988

POPULATION FORECAST YEAR 2010

FIGURE 1

LA MIRADA HOUSING ELEMENT UPDATE

In addition to total population counts and projections, there are several demographic characteristics which further define housing needs. Among these characteristics are age, household size, and ethnic composition.

Age Characteristics

The distribution of changes in the population by age group is an important factor in determining the general population makeup and possible future housing needs. A breakdown of the City's population by gender and age for both 1970 and 1980 is presented in Table 1. As seen in this table, the population of La Mirada is maturing. The median age for the community has increased from 23.3 years old in 1970 to 29.2 years old in 1980. Likewise, the percent of school-age children 19 years and under has decreased from 46 percent of the overall population in 1970 to 35 percent in 1980. Explanations for the overall maturing of the population include economic pressures to keep family sizes smaller, changes in social values towards larger families, and the relative lack of mobility in housing choices for existing residents who generally cannot afford housing elsewhere and have consequently remained in La Mirada after their children have left home.

The general overall maturity of the City's population is also evidenced in the increased number of elderly persons 65 years of age or older. In 1970, persons 65 years of age or older accounted for 3 percent of the overall population. In 1980, the same group increased to 5 percent of the population. The gender balance for senior citizens suggests a trend toward stabilization of senior women to men, from 1.17 to 1 in 1970 to 1.15 to 1 in 1980. However, assuming all senior citizens live as a family unit, this data tends to suggest that one-person households at the senior citizen level may represent a special housing need within the City.

Household Size

The City's population of 42,595 persons reside in 12,447 dwelling units, an average of 3.42 persons per household. Household size expressed as the average number of persons per dwelling unit has decreased from 3.9 persons per household in 1970 to 3.7 persons per household in 1975, with a further decline to an average of 3.4 persons per household reported in 1989. The declining household size, which is a nationwide trend, is attributed to the growing number of single-person households, childless couples, children who are maturing and leaving home, and a lower overall birth rate than that of the past.

Ethnicity

The City of La Mirada is a predominately white community, as indicated by the ethnic breakdown of population as contained in the 1980 Census. Caucasians constituted nearly 77 percent of the total population. Persons of Spanish/Hispanic

origin represent the largest minority of La Mirada's population, comprising nearly 19 percent of the overall population. The next largest minority population is persons of Asiatic heritage who comprise 3 percent of the population. Black and other minority groups represent 1 percent and .1 percent, respectively, of the overall population.

Table 1

**Population Characteristics
City of La Mirada
1970 and 1980**

	<u>Male</u>		<u>Female</u>	
	<u>1970</u>	<u>1980</u>	<u>1970</u>	<u>1980</u>
Over 75	107	224	247	600
65-74	200	615	276	763
60-64	233	943	228	861
55-59	457	1,263	412	1,286
45-54	2,094	2,755	1,823	2,959
35-44	2,486	2,446	2,618	2,709
25-34	1,674	2,536	2,031	2,742
20-24	863	2,243	993	1,943
15-19	1,796	2,581	2,002	2,700
10-14	2,317	1,953	2,189	1,771
5-9	1,760	1,383	1,852	1,368
Under 5	<u>1,118</u>	<u>1,230</u>	<u>1,032</u>	<u>1,112</u>
TOTALS	15,105	20,172	15,703	20,814

<u>1980</u>			<u>1970</u>		
<u>Age Group</u>	<u>No.</u>	<u>Percent</u>	<u>Age Group</u>	<u>No.</u>	<u>Percent</u>
65 & over	2,202	5	65 & over	830	3
19-64	24,686	60	19-64	15,912	51
19 & under	14,098	35	19 & under	14,066	46

Source: U.S. Census, 1970 and 1980

Income Characteristics

During the 10-year period between 1970 and 1980, the average family income in La Mirada increased from \$14,583 to \$27,786 per year, a 91 percent increase. Although numerical increases appear substantial, the relative increase in the cost of living (especially housing and taxes) over this period of time significantly diminishes the spendable income derived from much of the increase. Table 2 reports the number of families in selected income groups for 1980.

Table 2
Average Annual Family Income
City of La Mirada
1980

	<u>Number of Families</u>	<u>Percent</u>
Less than \$ 5,000	383	3.6
\$ 5,000 to \$ 7,499	209	2.0
\$ 7,500 to \$ 9,999	268	2.5
\$10,000 to \$14,999	829	7.8
\$15,000 to \$19,999	1,215	11.4
\$20,000 to \$24,999	1,626	15.3
\$25,000 to \$34,999	3,101	29.1
\$35,000 to \$49,999	2,070	19.5
\$50,000 or over	<u>938</u>	<u>8.8</u>
TOTAL	10,639	100.0

Source: 1980 U.S. Census

A comparison of California State-wide income data indicates that in 1970, La Mirada families earned approximately 20 percent more than the State average of \$12,228. By 1980, the average La Mirada resident's income had increased to \$27,786, as compared with a California State-wide average income of \$28,978. This comparison suggests that La Mirada family incomes have not kept pace with the income increases of other California residents State-wide, which may be explained by the stable, maturing nature of the community and the composition of its labor force.

In comparison to selected surrounding cities, family incomes in La Mirada increased at the second highest rate over the past decade. Table 3 illustrates that the City of La Mirada families also earn the second highest income of the selected surrounding families.

Table 3
Average Family Income
for La Mirada and Selected Surrounding Cities
1970-1980

	<u>Average Family Income</u>		
	<u>1970</u>	<u>1980</u>	<u>% Change</u>
La Mirada	\$14,583	\$28,786	97.3
Bellflower	10,977	21,334	94.0
Downey	13,927	31,607	126.9
Lakewood	12,880	24,581	90.8
Norwalk	11,276	22,200	96.9

Source: 1970 and 1980 U.S. Census

Employment Characteristics

Employment-related factors strongly influence the housing market in terms of regional and local housing distribution, housing costs, and housing types.

As illustrated in Table 4, the largest employing industry for La Mirada residents is that in the manufacturing category, both non-durable and durable products, which accounts for approximately 26.6 percent of the working population. This is consistent with the strong Los Angeles regional industrial base located within the immediately surrounding area. Second to manufacturing is the retail trade industry which employs 20.1 percent of the population. Based on the commuting times reported in the 1980 Census, it appears that most of the community's labor force is employed outside the City of La Mirada.

Table 4
Industry of Employed Persons
City of La Mirada
1980

<u>Industry</u>	<u>Number of People</u>	<u>Percent</u>
Agriculture	205	1.0
Construction	1,179	5.7
Manufacture:		
Non-durable	1,713	8.3
Durable	3,752	18.3
Transportation	1,079	5.2
Communication	395	1.9
Wholesale Trade	1,311	6.4
Retail Trade	4,125	20.1
Finance	1,052	5.1
Business/Repair	933	4.6
Personal	809	4.0
Professional:		
Health	1,087	5.3
Education	1,569	7.6
Other	612	3.0
Public Administration	<u>639</u>	<u>3.1</u>
TOTAL	20,460	99.6

Source: U.S. Census, 1980

According to the California Employment Development Department, three of the employing industries reported in Table 4 (construction, retail trade, and wholesale trade) will experience minor to moderate growth in employment in 1989 and 1990, as follows: 1) construction, 5.0 and 4.6 percent; 2) retail, 2.5 and 2.1 percent; and 3) wholesale trade, 1.5 and 1.2 percent.

HOUSING CHARACTERISTICS

Building Trends

Residential construction activities in the City of La Mirada have remained relatively moderate since its incorporation in 1960. Due to the limited jurisdictional boundaries, the residential development which has taken place has primarily been of the infill nature. La Mirada was developed as a community of single-family dwelling units and has primarily remained as such. Although multiple-family residential construction accelerated during the 1970s and 1980s and now comprises approximately 16 percent of the City's housing stock, single-family structures remain the dominate form of residential development at 84 percent.

La Mirada's supply of multiple-family units and mobile homes is typical of that of surrounding communities. As is illustrated by the DOF figures shown in Table 5, all of the cities in the area, with the exception of Bellflower, have an extremely small number of mobile homes. In respect to multiple-family units, Bellflower and Downey each contribute substantially to the regional supply, while La Mirada, as well as Lakewood, have a relatively lesser amount. Conversely, La Mirada and Lakewood have the highest area-wide concentrations of single-family dwellings (83.7 and 85.2 percent, respectively).

Table 5

**Dwelling Unit Types in
La Mirada and Selected Cities - 1989**

	Single Family Units <u>(% of Total)</u>	Multiple Family Units <u>(% of Total)</u>	Mobile Homes <u>(% of Total)</u>	Total Dwelling Units <u></u>
La Mirada	10,770 (83.7%)	1,995 (15.5%)	104 (0.8%)	12,869 (100.0%)
Norwalk	20,485 (75.7%)	6,180 (22.9%)	381 (1.4%)	27,046 (100.0%)
Bellflower	12,895 (53.7%)	9,749 (40.6%)	1,382 (5.7%)	24,026 (100.0%)
Downey	20,534 (60.2%)	13,402 (39.3%)	160 (0.5%)	34,096 (100.0%)
Lakewood	22,741 (85.2%)	3,848 (14.4%)	106 (0.4%)	26,695 (100.0%)
County Total	1,687,089 (53.9%)	1,397,537 (44.6%)	46,450 (1.5%)	3,131,076 (100.0%)

Source: State of California Department of Finance, January 1989.

Construction activity in La Mirada through the 1970s has been the most modest in relation to surrounding communities. La Mirada's residential construction averaged approximately 160 units per year during the 1970s and approximately 60 units per year from 1980 through the first quarter of 1989. A detailed account of building activity figures for La Mirada, surrounding cities, and the County is shown in Table 6. Table 6 clearly shows a trend which is indicative of regional and national trends in construction: extensive activity in the early 1970s, a slump in the middle of the decade, followed by a brief surge in construction, and finally, the recession which was experienced from the end of the decade into the early 1980s.

Table 6

Residential Development Activity
for Los Angeles County, the City of La Mirada
and Selected Cities
1970-1989

	<u>City of La Mirada</u>			<u>City of Bellflower</u>			<u>City of Downey</u>			<u>City of Lakewood</u>			<u>City of Norwalk</u>			<u>County of Los Angeles</u>		
	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>
1970	87	0	87	12	141	153	33	790	823	35	79	114	35	196	231	8,403	38,146	46,549
1971	4	310	314	19	378	397	37	274	311	55	646	701	15	286	301	11,308	33,905	45,213
1972	6	58	64	14	851	865	62	422	484	6	253	259	125	426	551	10,805	42,295	53,100
1973	63	147	210	43	52	95	109	416	525	7	153	160	193	10	203	9,413	33,694	43,107
1974	102	121	223	18	72	90	27	124	151	4	5	9	49	338	387	5,946	1,143	7,089
1975	102	0	102	78	87	165	49	109	158	7	0	7	17	12	29	8,822	8,908	17,730
1976	22	124	146	92	167	259	69	84	153	13	91	104	86	214	300	14,272	15,012	29,284
1977	94	0	94	104	292	396	65	142	207	12	385	397	72	105	177	17,856	21,566	39,422
1978	74	28	102	51	268	319	43	109	152	1	221	222	41	94	135	13,556	26,981	40,537
1979	23	65	88	34	171	205	65	54	119	5	69	74	5	43	48	11,893	24,189	36,082
1980	42	68	110	95	144	239	18	74	92	1	3	4	4	23	27	8,314	20,446	48,760
1981	2	18	20	63	74	137	21	19	40	14	0	14	2	111	113	6,368	15,400	21,768
1982	0	0	0	46	10	56	17	21	38	0	44	44	58	48	106	4,323	9,440	13,763
1983	103	70	173	62	94	156	19	184	203	26	145	171	8	69	77	9,799	17,568	27,367
1984	2	4	6	32	104	136	134	107	241	0	64	64	2	107	109	12,340	24,602	36,942

Table 6 (Cont.)

	<u>City of La Mirada</u>			<u>City of Bellflower</u>			<u>City of Downey</u>			<u>City of Lakewood</u>			<u>City of Norwalk</u>			<u>County of Los Angeles</u>		
	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>	<u>SF</u>	<u>MF</u>	<u>TOTAL</u>
1985	37	8	45	63	140	203	43	155	198	45	26	71	4	99	103	13,938	39,371	53,309
1986	4	0	4	51	271	322	59	234	293	9	17	26	8	40	48	16,649	49,592	66,241
1987	1	0	1	41	420	461	52	63	115	5	59	64	11	455	466	17,191	39,297	56,488
1988	2	162	164	54	240	295	28	66	94	3	105	108	57	415	472	18,023	32,475	50,498
April 1989	7	3	10	18	54	72	17	8	25	2	50	52	11	16	27	6,875	7,603	14,478

SF = Single Family

MF = Multiple Family

Source: Construction Industry Research Board, 1989.

Size and Overcrowding

The size of residential structures (number of rooms, excluding bathrooms, halls, closets, etc.) is an important factor in assessing whether the housing stock is adequately accommodating the community's population. An average-sized residential unit has five rooms (kitchen, dining room, living room and two bedrooms), according to the U.S. Census, and can accommodate a family of up to five without being considered overcrowded. According to the 1980 Census, 85.7 percent of La Mirada's year round housing units have five or more rooms (see Table 7).

Table 7

**Number of Rooms
for Year-Round Housing**

<u>Number of Rooms</u>	<u>Number of Families</u>	<u>Percent</u>
1	64	.5
2	109	.8
3	690	5.5
4	912	7.3
5	3,090	24.7
6	7,624	61.0

In comparison to the average population per household figure (3.4 in 1989), it may be concluded that, generally speaking, the City's housing stock can adequately accommodate the community. However, the additional data which follows, relative to known overcrowded conditions, further defines the extent of such conditions within the City.

The 1980 Census reports indicate that 95 percent of the City's households live in adequately-sized units (1.0 persons per room or less), while 5 percent of the households do not. As is generally the case within the region, the existence of overcrowded conditions can be attributed to the limited supply of lower cost housing compared to the excessive demand therefor. While large families (five or more persons) exist in all income categories, those families which earn low incomes are limited in their housing choices due to the affordability and size of available units.

Age

The age of a structure has a significant effect on its physical condition. However, by itself, age is not a valid indicator of housing condition since proper care and continual maintenance will extend the physical and economic life of a unit. On the other hand, a lack of normal maintenance coupled with an aging housing stock can lead to the serious deterioration of individual units and entire neighborhoods.

As indicated in Table 8, 7,756 units (60 percent of the City's housing stock) are nearly 30 years old and by the year 2000, approximately 84 percent of the City's current housing stock will be in excess of 30 years of age.

Table 8
Age of Residential Structures
in the City of La Mirada

<u>Year Built</u>	<u>Number of Units</u>	<u>Percent of Total Units</u>
1980 to 1989	392	3.0
1970 to 1979	1,608	12.5
1960 to 1969	3,113	24.0
1950 to 1959	7,568	59.0
1940 to 1949	125	1.0
1939 or earlier	<u>63</u>	<u>0.5</u>
Total	12,869	100.0

Source: U.S. Census, 1980 and State of California Department of Finance, January 1989.

While proper and continued maintenance of older housing is important in extending the life of a home, ongoing maintenance is also important from a neighborhood appearance and stability standpoint. While it is easy enough to discuss the life expectancy of a dwelling unit, its deterioration and neglect frequently continues over extended periods of time before it becomes fully deteriorated. During that time period, its effect on the neighborhood and surrounding units can be significant.

Vacancy Rates

The residential vacancy rate, a translation of the number of unoccupied housing units on the market, is a good indicator of the balance between housing supply and demand in a community. When the demand for housing exceeds the available supply, the vacancy rate will be low. Concomitantly, a low vacancy rate drives the cost of housing upward to the disadvantage of prospective buyers or renters.

In a healthy housing market, the vacancy rate would be between five and eight percent. These vacant units should be distributed across a variety of housing types, sizes, price ranges, and locations within the City. This allows adequate selection opportunities for households seeking new residences.

The 1980 Census figures indicate a Citywide vacancy rate of 3.29 percent. More recently, a Vacancy Rate Survey, conducted by the Federal Home Loan Bank in April 1988, reveals that 3.5 percent of all the housing units in La Mirada were vacant at that time (Table 9). This is well below the minimum desirable rate of five percent. A similarly low vacancy rate (3.7 percent) for Los Angeles County shows that relief from the market constraints associated with this condition cannot be found in the regional housing marketplace.

Table 9

Vacancy Rates

	<u>% Total Units</u>	<u>% Single Family</u>	<u>% Multiple Family</u>
La Mirada	3.5	0.6	2.9
Los Angeles County	3.7	2.1	1.6

Source: Federal Home Loan Bank, April 1988

As seen in the above table, a relatively large percentage of the City's multiple-family housing stock was vacant in April of 1988.

Tenure

La Mirada's housing stock was developed with the intention of providing financially accessible, detached single-family homeownership opportunities. Over the past two decades, the domination of owner-occupied units has persisted to a large degree. The 1970 U.S. Census reported that 86.3 percent of the City's units were owner-occupied. The 1980 U.S. Census reports that 82.4 percent of the City's dwelling units are owner-occupied. The moderate reduction in the percentage of owner-occupied units is almost completely attributed to the addition of multiple-family rental units to the City's housing supply. It appears that La Mirada's single-family detached units remain largely owner-occupied.

Cost and Affordability

The skyrocketing cost of housing is a national dilemma. The average price of homes in Southern California, however, has risen at a faster rate than the national average since 1974. The spiralling cost of housing in Southern California has been attributable to a variety of factors, including diminishing land resources (particularly in urban areas), increasing land and construction costs, and increasing finance costs (i.e., interest rates).

According to the 1980 Census, the median value of owner-occupied housing in La Mirada is \$83,700, which represents a 349 percent increase over the 1970 median value of \$24,000. The median monthly cost for rental units has also appreciably increased from \$163 in 1970 to \$316 in 1980. The distribution of owner- and renter-occupied units by value and monthly-contract rent are presented in Tables 10 and 11, respectively.

Since 1980, the cost of housing in the City has more than doubled from \$83,700, as reported in the 1980 Census, to \$187,500 in 1989 (according to a local Century 21 realtor). In addition, average selling prices for three, four and five bedroom single-family units is \$187,000, \$199,000 and \$298,000, respectively. As evidence that this upward spiral is continuing, new tract homes were selling for between \$300,000 to \$400,000 in April 1989.

Similar to the increase in home values, the cost of rental housing in the City has substantially increased in recent years. Based on the rents for dwelling units advertised in local newspapers during June 1989, the cost for rental housing in La Mirada ranges from \$950 to \$1,200 for single-family homes and \$520 to \$585 for apartments. These price ranges are well in excess of the median contract rent reported in the 1980 Census.

Table 10
Value of Owner-Occupied Units
City of La Mirada
1980

<u>Value</u>	<u>Number of Units</u>	<u>Percent</u>
Less than \$ 10,000	4	.05
\$ 10,000 - \$ 14,999	4	.05
\$ 15,000 - \$ 19,999	12	.13
\$ 20,000 - \$ 24,999	20	.22
\$ 25,000 - \$ 29,999	21	.23
\$ 30,000 - \$ 34,999	22	.24
\$ 35,000 - \$ 39,999	30	.33
\$ 40,000 - \$ 49,999	109	1.20
\$ 50,000 - \$ 79,999	3,382	37.38
\$ 80,000 - \$ 99,999	3,906	43.17
\$100,000 - \$149,999	1,153	12.74

<u>Value</u>	<u>Number of Units</u>	<u>Percent</u>
\$150,000 - \$199,999	280	3.10
\$200,000 or more	<u>105</u>	<u>1.16</u>
Total	9,048	100.00
Median Value - \$84,700		

Source: U.S. Census, 1980

Based upon current data obtained from the Federal Department of Housing and Urban Development, the estimated current (1989) median-family income, for a family of four, is approximately \$38,000. Using the estimated median household income of \$38,000 and the somewhat risky 4:1 loan qualifying ratio of housing price to income, the upper limit of "affordability" for most La Mirada households would be approximately \$152,000. It is immediately evident that the price of for-sale single-family housing far exceeds the financial wherewithal of most La Mirada households, thus preventing existing residents from first-time housing purchases within their own community.

Table 11
Cost of Renter-Occupied Units
City of La Mirada
1980

<u>Monthly Rent</u>	<u>Number of Units</u>	<u>Percent</u>
Less than \$50	3	.16
\$ 50 - \$ 99	15	.80
\$100 - \$119	8	.43
\$120 - \$139	13	.69
\$140 - \$149	8	.43
\$150 - \$159	16	.85
\$160 - \$169	2	.10
\$170 - \$199	30	1.59
\$200 - \$249	312	16.55
\$250 - \$299	410	21.75
\$300 - \$399	486	25.78
\$400 - \$499	371	19.68

<u>Monthly Rent</u>	<u>Number of Units</u>	<u>Percent</u>
\$500 or more	165	8.75
No Cash Rent	<u>46</u>	<u>2.44</u>
Total	1,885	100.00
Median Rent - \$316		

Source: U.S. Census, 1980

HOUSING NEEDS

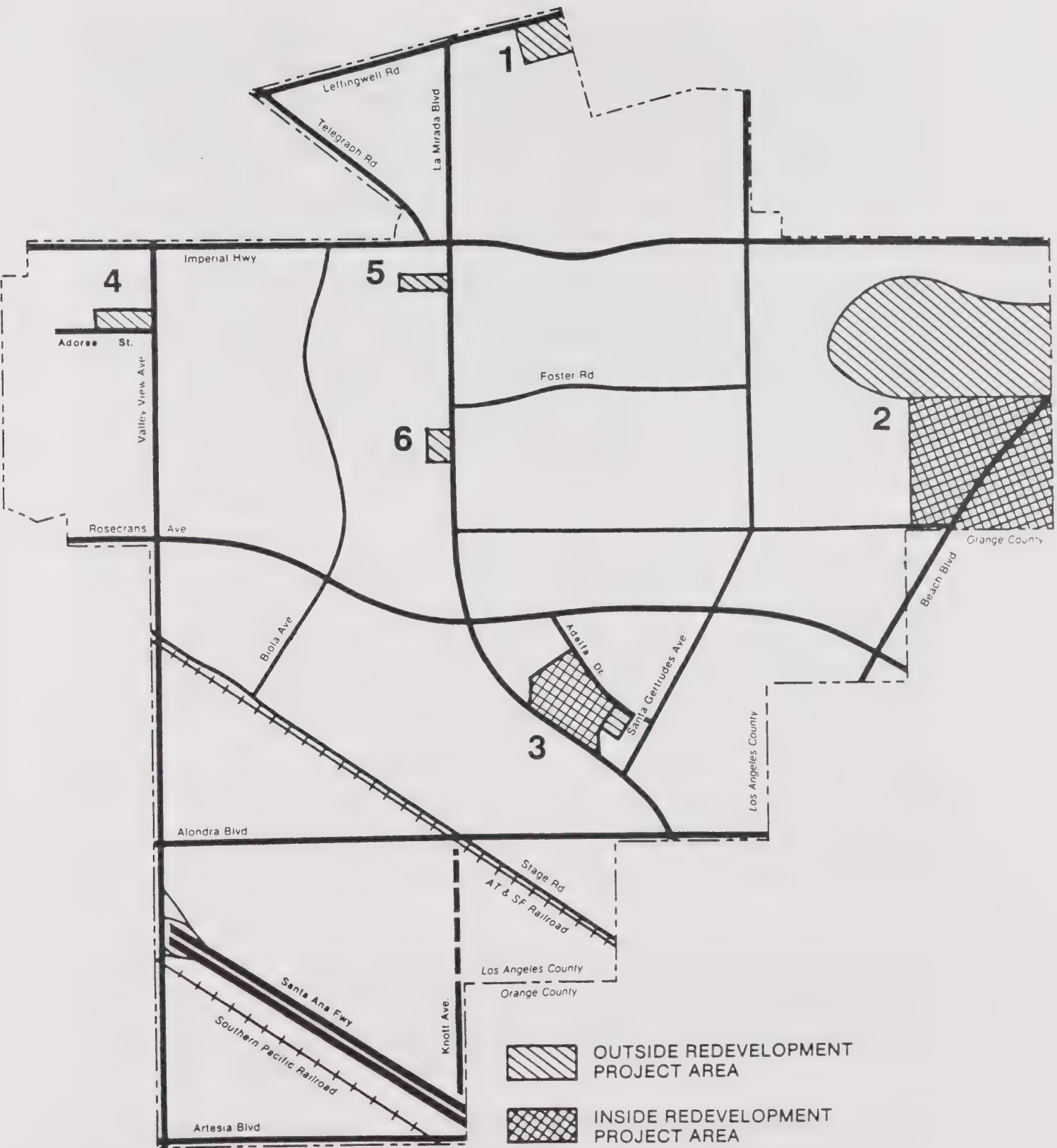
While the majority of La Mirada residents are adequately housed and the local housing stock is in generally good condition, there are existing and incipient problems that must be addressed. There are also housing needs, both current and projected, that must be considered by the City in its housing plans. These needs and/or problems include: 1) the provision of an adequate supply of housing; 2) housing maintenance; 3) housing affordability; 4) the City's role in meeting regional housing needs; 5) households with special housing needs; and 6) the preservation of existing low income rental units. Each of these subjects are discussed below.

ADEQUATE SUPPLY

The Southern California Association of Governments (SCAG) periodically prepares housing need estimates for all cities in Southern California. According to the most recent estimates prepared by SCAG in June 1988, 1,059 additional housing units will need to be constructed within the City by 1994 in order to: 1) accommodate population growth due to the formation of new households, the immigration of population to Los Angeles County as a whole, and the redistribution of population within the County; 2) achieve an "ideal" vacancy rate; and 3) replace dwelling units that will be lost from the housing stock by 1994. This translates into a minimum of approximately 212 housing starts per year between 1989 and 1994. By contrast, nearly 713 residential units were constructed within the City over the past decade (1978 to 1988), or approximately 71 units per year.

While the above estimates indicate the need for a moderate upturn in local housing construction, the City has allocated sufficient land to accommodate the projected housing need. The Land Use Element of the La Mirada General Plan envisions the construction of over 1,800 additional housing units in the City by the year 2000, with the vast majority of these units to be constructed within the next five years. This increase is expected to result from residential infilling, or the development of currently vacant land and the redevelopment of previously developed sites. Aside from scattered, individual residential lots, these projected units would be constructed on six potential development sites as described below. The location of these sites is shown on Figure 2.

Since the existing housing stock within the City is generally well-maintained and reflects the densities permitted by the Zoning Ordinance and General Plan, there is little opportunity for existing housing to be replaced by new, higher density development. While non-residentially zoned properties have been and will continue to be recycled within the City, it is highly unlikely that this redevelopment or recycling process will generate a limited number of additional housing units. Most of this non-residentially zoned property is found at locations that are unsuitable for residential development, and it is important that the City retain this property for commercial and/or industrial purposes in order to maintain a proper balance among land uses.



City of La Mirada

Potential New
Development Sites

Figure 2

Site No. 1 - This site is located on the south side of Leffingwell Road between Toerge Drive and Stamy Road. This site includes a series of vacant or under-utilized properties that are surrounded by residential uses. The development of this area would require the construction of streets and drainage improvements, as well as the extension of water and sewer lines. However, all necessary utilities and services are readily available. Based upon the current R1/10,000 (Single-Family Residential/10,000 square foot lots) zoning of this property, this several acre site could accommodate 18 single-family dwelling units.

Site No. 2 - This site encompasses over two hundred acres of undeveloped land that has historically been used for oil recovery purposes. A total of 1,156 housing units could be developed in the Hillsborough residential development at this site. A portion of the Hillsborough project lies within the boundaries of the La Mirada Redevelopment Project No. 3, as shown on Figure 2, and could contain up to 500 of the 1,156 units. The remaining portion of the site that lies outside the project area will be developed with 656 additional housing units. The vast majority of the affordable units that will be provided within the City in the future will be located within Project Area 3.

Site No. 3 - This site is generally bounded by the La Mirada Towne Center Mall, Adelfa Drive, Santa Gertrudes Avenue, and Ocaso Avenue. A portion of the site is located in Redevelopment Project No. 1, as shown on Figure 2. Based upon current zoning, as well as development plans for this site, up to 247 units will be constructed on this portion of the site. The portion of the site lying outside the boundaries of the redevelopment project area will be developed with 63 units. Of the 310 units being developed at this location, 46 will be affordable units.

Site No. 4 - This site is located on the west side of Valley View Avenue at Adoree Street. A total of 75 senior citizen housing units were recently completed at this location. This project was funded with a \$4.3 million Section 202 Grant from the Department of Housing and Urban Development and \$243,000 in tax increment funds from the La Mirada Redevelopment Agency for exterior and off-site improvements.

Site No. 5 - This nearly four acre site is located on the west side of La Mirada Boulevard, south of Imperial Highway. This site was recently developed with 164 affordable dwelling units. The development agreement that was executed for this project allowed these units to be built at a density of 45 dwelling units per acre while ensuring their continued affordability until the year 2037.

Site No. 6 - This site is located on the west side of La Mirada Boulevard, south of Foster Road, on the campus of Biola College. This nearly three acre site was recently developed with 89 affordable housing units, which translates into a density of over 30 units per acre. As a condition of project approval, these units will be affordable to low and moderate income households in perpetuity.

A breakdown of the units projected for each of the potential new development sites is presented in Table 12. Actual development figures are used for sites that have been developed or have approved site plans. For the remaining sites, the number of potential units is the number that could be constructed if each site was built-out in accordance with existing zoning.

HOUSING MAINTENANCE

There is no information available regarding the current condition of the City's housing stock. The 1980 Census did not provide data on the condition of residential units; and SCAG's housing needs estimates for 1988 do not address the condition of housing in individual cities with less than 50,000 residents. Therefore, the most recent information concerning local housing conditions is the result of a survey conducted by the City in 1975.

TABLE 12
INVENTORY OF SITES SUITABLE FOR RESIDENTIAL DEVELOPMENT (1)

SITE NO. (2)	ZONE	DEVELOPABLE ACREAGE	UNITS/ ACRE	POTENTIAL UNITS (5)	ACTUAL UNITS (6)	AFFORDABLE UNITS			STATUS
						VL	L	M	
1	R1/10K	3.5	5	18					No Plans
2R (3)	R1/PUD	100	5	500		50	100	50	Partially Under Development (7)
2NR (4)	R1/PUD	110	6		656			50	Under Development
3R	R1/PUD	36	7		247				Under Development
3NR	R1/PUD	3.5	18		63				Under Development
4	PUD	1	75		75	75			Completed
5	DA (8)	3.6	45		164	12	25	127	Completed
6	PUD	2.7	33		89	59	15	15	Completed
TOTALS				518	1,294	196	140	242	

Projected Affordable Unit/Total Unit Ratio: 32%

(1) All sites included in table were available for development at start of the current planning period.

(2) Site numbers refer to locations shown on Figure 2.

(3) "R" refers to areas located within a redevelopment project area.

(4) "NR" refers to areas not located within a redevelopment project area.

(5) Potential units category is based upon acreage x units per acre under existing zoning requirements.

(6) Actual units refer to units under construction or under development agreements.

(7) 154 units are currently being constructed on Site 2R as part of the Hillsborough project.

PUD will allow for affordable units to be constructed at a density well in excess of 5 units/acre.

(8) Use and density established through negotiation of Development Agreement.

dg/IS090492

All residential units in the City were surveyed by a Code Enforcement Inspector at that time. This survey revealed that 152 units were in need of minor repair. No units were found to be dilapidated (i.e., deteriorated to the extent that demolition is necessary) or in need of major repair. While deteriorated units were reported in nearly every neighborhood, the greatest concentration of such units was found in the area south of Alicante Road and east of La Mirada Boulevard.

While the City's housing stock is generally well-maintained and in good condition, the majority of the City's housing units (60 percent) are currently nearly 30 years old. By the year 2000, approximately 84 percent of the current housing stock will be over 30 years of age. This is an important consideration since much of the City's housing stock was designed and built for an average life expectancy of from 30 to 50 years. Recognizing this situation, the condition or quality of the City's housing supply could become a problem over the next two decades if adequate maintenance does not occur. In response to this need, the City is using Federal Community Development Block Grant (CDBG) funds and Los Angeles County bond measure proceeds to financially assist low and moderate income homeowners with home repairs and/or improvements. The City will continue and, if necessary, expand its efforts in this area in order to address this need.

HOUSING ASSISTANCE NEEDS

Information generated by SCAG's 1988 Regional Housing Needs Assessment (RHNA) indicates that an estimated 1,235 lower-income households residing in the City need housing assistance. These households, whose incomes are less than 80 percent of the County-wide median income adjusted for household size, are spending more than 30 percent of their monthly income for housing. This leaves a disproportionate share of their monthly income available to purchase other necessities such as food, medicine, and transportation. Moderate- and upper-income households, may, and often do, expend more than 30 percent of their incomes for housing without experiencing hardships. However, this limitation on housing expenditures is critical to lower-income households because of the very limited and sometimes fixed nature of their incomes. A breakdown of existing housing assistance needs is presented in Table 13.

Table 13

Housing Assistance Needs

<u>Income of Households Needing Assistance</u>	<u>Owners</u>	<u>Renters</u>	<u>Total</u>	<u>% of Total</u>
Low	246	215	461	37
Very Low	<u>373</u>	<u>401</u>	<u>774</u>	<u>63</u>
Total	619	616	1,235	100

Source: Southern California Association of Governments, Regional Housing Needs Assessment, June 1988.

As defined by the State Department of Housing and Community Development, a low-income household is defined as having an annual income equal to or less than 80 percent of the County's median household income. Moderate income equals 80 to 120 percent of the County's median household income. While these thresholds vary with household size, the current (1989) median income for a family of four in Los Angeles County is established at \$38,000. The maximum annual household income limits by income group, based on a \$38,000 median income, are shown in Table 14.

Table 14

Income Limits for
Low and Moderate-Income Persons

<u>Income Group</u>	<u>Income Range</u>	<u>Maximum Annual Household Income*</u>
Median		\$38,000
Very Low	50% or less of median	19,950
Low	50-80% of median	30,400
Moderate	80-120% of median	45,600

* Based on a four person household, limit varies with household size.

Source: State Development of Housing and Community Development.

Federal and State agencies regard 30 percent of gross annual income as a reasonable expenditure for housing. Based on this guideline, the maximum unit price can be estimated which is affordable to these income groups (assuming 10½ percent interest rate, 30-year fixed rate, and a 10 percent down payment). The same approach can be used to determine maximum monthly rents affordable to each group (which is also equal to the maximum monthly payment affordable to purchase a unit). Using this approach, the upper limits of purchase and rental housing affordable to low and moderate-income persons in the City of La Mirada have been determined and are shown in Table 15.

Table 15

**Affordable Housing Limits
For Low and Moderate-Income Persons**

<u>Income Group</u>	<u>Maximum Affordable Unit Price</u>	<u>Maximum Affordable Unit Rent</u>
Very Low	\$ 60,500	\$ 499
Low	91,300	760
Moderate	137,500	1,140

REGIONAL HOUSING NEEDS

The California Government Code clearly indicates that the community to be served by the local housing element shall include the locality's share of the regional housing need. This fair share, as it is commonly referred to, is determined by the regional council of governments. In the case of the City of La Mirada, its fair share is determined by SCAG. While the process of determining each locality's share of regional housing needs has evolved over the years, the most recent estimates are contained in the RHNA prepared in June 1988.

The RHNA has two primary purposes: 1) identification of housing needs; and 2) allocation of fair share of need to every community. The identification of need refers to the number of housing units necessary to house every household at an affordable price and to replace all dilapidated housing units. The fair share allocation refers to the number of additional households in each income category who should have housing opportunities available in a particular community. The model strives to obtain an equitable distribution of low and moderate-income housing throughout the region.

Six major criterion are used in determining the fair share for each community:

1. Market demand for housing.
2. Employment opportunities.
3. Availability of suitable sites and public facilities.
4. Commuting patterns.
5. Type and tenure of housing needs.
6. Housing needs of farmworkers.

In addition, an impact avoidance factor is considered in an attempt to avoid further impact of jurisdictions with relatively high proportions of lower-income households.

As indicated earlier, SCAG has forecasted the need to house 1,059 additional households in the City by 1994. Using the methodology outlined above, SCAG has broken this projection down by income category. The distribution of this projected need by income category is shown in Table 16.

Table 16

**Distribution of Projected
New Construction Needs By Household Income**

<u>Income Category</u>	<u>Additional Units Needed by 1994 (No./ % of Total)</u>
Very Low (less than 50% of County median)	112/10
Low (50 to 80% of County median)	136/13
Moderate (80 to 120% of County median)	189/18
Upper (over 120% of County median)	<u>622/59</u>
Total	1,059/100

Source: Southern California Association of Governments Regional Housing
Needs Assessment, June 1988.

HOUSEHOLDS WITH SPECIAL NEEDS

Within the housing needs estimates presented above, there are segments of the population that experience special housing needs. These groups include the elderly, the handicapped, female-headed households, and the homeless. The severity of these special needs within the City of La Mirada is discussed below.

Elderly Households

According to the 1980 Census, nearly 13 percent of the households in the City of La Mirada had at least one member 65 years of age or older. Assuming that this percentage has remained relatively constant since 1980, there are presently 1,618 elderly households in the City of La Mirada. Of these households, 202 are renting, while the remaining 1,416 own the dwellings that they reside in. The fixed or limited nature of their income poses a special problem with regard to housing affordability for the elderly. This fact is documented by the 1980 Census which reported that 3.8 percent, or 59 elderly

households, were living below the Federal poverty level in La Mirada. Applying this percentage to the aforementioned 1,618 households, approximately 62 elderly persons could be living below the Federal poverty level. In addition, the elderly often have special needs in terms of the size, design, and accessibility of housing.

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Handicapped Households

As reported by the 1980 Census, five percent of the population in La Mirada had work disabilities. Over 30 percent of the 5 percent also had public transportation disabilities. Using this percentage, it is estimated that there are presently 2,130 persons residing in the City of La Mirada with work disabilities and 639 persons with public transportation disabilities. While the needs of certain handicapped individuals (i.e., blind, deaf, or experiencing nervous disorders) may be met without special housing accommodations, persons with ambulatory disabilities often require specially designed barrier-free housing. Rental housing of this nature can be particularly difficult to find.

Large Families

Of the 12,020 households residing in the City of La Mirada in 1980, 2,328 (or 19 percent) were comprised of 5 or more persons. Applying the same percentage, it is estimated that 2,445 families living in La Mirada in 1989 have 5 or more members. While the large families living within the City are generally adequately housed, large families in need of rental housing may have limited choices available to them. This situation can be even more acute for those families with lower incomes.

Female-Headed Households

Approximately five percent of all households residing in La Mirada in 1980 were female-headed households. Using this percentage, it is estimated that there are presently 643 female-headed households in the City of La Mirada. Since they often have limited incomes, female-headed households experience difficulty in finding adequate, affordable housing. In this regard, 16 percent of the female-headed households living in the City of La Mirada in 1980 had annual incomes less than the Federally-recognized poverty level. Applying this percentage to the aforementioned 643 female-headed households, it is estimated that 103 female-headed households in the City have incomes below the Federally-recognized poverty level.

Farmworker Housing

The California Government Code requires that the City of La Mirada consider local farmworker housing needs in formulating the Housing Element of its General Plan. The most recent data, the 1983 Regional Housing Allocation Model (RHAM) prepared by SCAG, estimated that there were 21 farmworker households eligible for housing assistance in the City of La Mirada. It should be pointed out that the more recent 1988 SCAG RHNA did not breakout farmworker household needs, however, this need was included in the overall housing needs assessment figure.

Recognizing that the City is situated within an urbanized area in which farming operations are nearly non-existent, the accuracy of the 1983 estimate seems highly questionable. In addition, it should be mentioned that this information is based on 1980 Census data and represents the number of persons who work in the farming, fishing, or forestry industry and reside within the City's incorporated limits.

Homeless Persons and Families

Recent amendments to Housing Element Law require local governments to plan for the provision of shelters and transitional housing for homeless persons and families and to identify adequate sites where such needs could be met. A need is said to exist if one person in a locality is without shelter or if the type of shelter available is inappropriate.

It should be mentioned that there is a difference between emergency shelter and transitional housing. Emergency shelter provides an immediate short-term solution to homelessness, whereas transitional housing attempts to remove the basis for homelessness (i.e., lack of sufficient income for self support). Transitional housing can last as long as 18 months and generally includes integration with other social services and counseling programs to assist in the transition to self-sufficiency through the acquisition of a permanent income and housing.

The City of La Mirada homeless assistance needs are currently handled by the Rio Hondo Temporary Home (RHTH), located on the grounds of the Metropolitan State Hospital in Norwalk. The facility contains 110 beds and is presently operating above capacity. Persons seeking shelter at the facility can stay from a minimum of 1 night to a maximum of 60 days. According to a recent telephone conversation with the Executive Director of RHTH, for the period from July 1, 1988 to June 30, 1989, the shelter provided 42,566 shelter nights, which equates to 1,419 persons. Of the 1,419 persons assisted, 6.3 percent, or 89 persons, were assisted from the City of La Mirada. This figure was derived by dividing the 42,566 total shelter nights by 30 (an average stay), multiplied by 6.3 percent (percentage of La Mirada homeless assisted).

It should be pointed out that of the estimated 89 homeless persons, approximately 70 percent, or 62 persons, are new homeless (new families and young individuals having financial difficulties) and 30 percent, or 27 persons, are the chronically mentally ill and or chronically unemployed (individuals who wander from shelter to shelter). It should also be mentioned that the 89 homeless figure represents persons who were referred to RHTH by the City of La Mirada.

At present, it appears that the needs of the homeless in the La Mirada area are being met through the RHTH. However, the City of La Mirada will continue to coordinate with and support the efforts of the RHTH, in order to ensure that the needs of homeless persons in La Mirada are met to the extent possible.

AT RISK HOUSING

As required by Government Code Section 65583, the City must analyze the extent to which low income, multi-family rental units are at risk of becoming market rate housing, and if necessary, develop programs to preserve or replace these assisted housing units. The multi-family units to be considered are any units that were constructed using various federal assistance programs, state or local mortgage revenue bonds, redevelopment tax increments, in-lieu fees or an inclusionary housing ordinance, or density bonuses. Low income multi-family housing is considered to be at risk if it is eligible to convert to non-low income housing due to: 1) the termination of a rental subsidy contract; 2) mortgage prepayment; or 3) the expiration of affordability restrictions. The time period that is to be considered in making this determination is the ten year period following the last mandated updating of the housing element, which in the case of La Mirada is 1989-99.

Based on the information contained in the Inventory of Federally Subsidized Low Income Rental Units at Risk of Conversion, compiled by the California Housing Partnership Corporation, there are no federally assisted, low income rental units within the City that are at risk of converting to market rate housing by 1999. Similarly, the 1991 Annual Summary of the Use of Housing Revenue Bond Proceeds, released by the California Debt Advisory Commission, indicates that there are no rental units within the City that have been constructed with the use of multi-family mortgage revenue bonds. While there are 75 units of Section 202 financed housing within the City and an additional 111 low income rental units that were constructed using density bonuses and/or financial assistance from the City's Redevelopment Agency, the affordability controls imposed on these units will not begin to expire until the year 2037. Therefore, there are no at risk units within the City of La Mirada.

CONSTRAINTS

The ability of the private and public sectors to provide adequate housing to meet the needs of all economic segments of the community is constrained by various interrelated factors. For ease of discussion, these factors have been divided into three categories: 1) physical constraints; 2) market constraints; and 3) governmental constraints. The extent to which these constraints are affecting the supply and affordability of housing in the City of La Mirada is discussed below.

PHYSICAL CONSTRAINTS

A major constraint to the development of new housing within the City of La Mirada is the lack of available undeveloped land. Based on known development sites approximately 260 acres of residentially developable land remains within the City. A major portion of this land, some 210 acres, is owned by Chevron U.S.A. and is active oil producing land with an estimated 5-year production period. The remaining 50 acres of land consists of five areas which are slated for residential development. A discussion of these potential new development sites is provided in the Housing Needs section of this report.

MARKET CONSTRAINTS

One of the major obstacles to providing housing to meet the needs of all economic segments of the community is the nature of the housing market itself. The rate at which housing costs are accelerating has become a serious national problem. This problem is magnified in California as a whole, and particularly in communities such as La Mirada where the desirability of the community further inflates costs. The continued rise in the values of existing City residences precludes the creation of a local "trickle-down" situation wherein housing becomes affordable due to its age. Indeed, increasing valuations have led to situations in which present homeowners could not now afford to purchase their own homes.

This is reflected throughout Los Angeles County, where home prices have risen dramatically in recent years. Home prices have risen 31 percent from April 1988 to April 1989, compared to 18.6 percent from April 1987 to April 1988, and 12.5 percent from April 1986 to April 1987 (Real Estate Research Council, 1989 First Quarter Real Estate and Construction Report).

The home price index for Los Angeles County reached 630 in April 1989, indicating that, on average, prices here have increased 6.3 times over the 1975 levels.

Three interrelated cost factors influence the overall development cost and ultimately dictate the market price of a home. These factors include the cost of raw land, construction cost (labor and materials), and financing cost. A discussion of these topics as they relate to the State of California and the City of La Mirada follow.

Land Costs

Since the mid 1960s, raw land prices have been significantly higher in Southern California than in the rest of the United States. According to the California State-wide Housing Plan, in the year 1966-67, the price per square foot of raw developable land was \$3.58 in California versus \$1.58 in the Midwest and \$1.64 in the Northeast. In the early 1980s, the average cost of developable land in California was nearly \$190,000 per acre, compared to \$55,000 for the rest of the Country.

Data for the 1980 price of raw land per square foot in metropolitan areas in the U.S., presented in the California State-wide Housing Plan, reveals that the square foot cost of raw land was highest in Honolulu, Hawaii, at \$10.59 per square foot. The next five metropolitan areas with the highest raw land costs were all located in California; Los Angeles-Long Beach (Los Angeles County) was second at \$4.48 per square foot and Riverside-San Bernardino-Ontario (Riverside and San Bernardino Counties) was sixth at \$2.50 per square foot.

The Construction Industry Research Board (CIRB), in compiling housing component cost data for California for selected years from 1970 to 1980, reported that land costs for a single-family home rose from \$6,600 (21 percent of the total cost) in 1970 to \$26,700 (27.8 percent) in 1980. It is estimated that, at present, this figure is now 32 percent.

Recognizing that new tract homes in La Mirada are selling for \$300,000 - \$400,000 and that custom-built homes are currently starting at \$600,000, the 32 percent figure identified above would translate into a raw land price of at least, \$96,000 per unit for the least expensive tract home and \$128,000 for the most expensive tract home. On the other hand, raw land costs associated with a \$600,000 custom home would be approximately \$192,000.

Construction Costs

Similar to land costs, construction costs have also been escalating rapidly in recent years. The California State-wide Housing Plan reports that direct construction costs have increased dramatically over the last decade. According to the Real Estate Research Council of Southern California, the total cost of the construction of an "average hypothetical single-family residence" in the Los Angeles area has risen from \$57,450 in January 1983 to \$69,400 in April 1989. In the year between April 1988 and 1989, there was an increase of \$1,600. The cost per square foot has increased from \$36.59 in January 1983 to \$44.20 in April 1989 (up from \$43.16 in April 1988).

According to the Real Estate Research Council, the cost of the construction of an "average hypothetical three-story frame and stucco apartment house" has gone from \$732,500 in January 1983 to \$882,400 in April 1989, up from \$861,800 in April 1988. The cost per square foot has increased from \$30.52 in January 1988 to \$36.77 in April 1989 (up from \$35.91 in April 1988).

Financing Costs

The final, but probably most significant, component of overall housing cost is the cost of financing. The California State-wide Housing Plan states that throughout the 1980s, the prime rate in California, and the United States as a whole, has been high in relation to that of earlier decades. While the prevailing interest rate of 11 percent in June 1989 is low compared to the 1982 peak of 18.8 percent, it is high compared to the levels of 4 and 5 percent recorded in the early 1960s and the rates of less than 7 percent as recently as 1977. The current rate represents a 22 percent increase over the level of 9 percent witnessed in June 1988. The long-term trend has been for interest rates to increase significantly over time.

This cost is passed on to housing consumers by developers and landlords.

The cost of financing is one of the major constraints to the construction of housing affordable to low and moderate-income households. In order to bring monthly mortgage payments to within an affordable range or to qualify for creative financing techniques, it may be necessary to make a sizeable down payment on a home. For first time buyers, procuring the required down payment is often difficult, particularly if they have low or moderate incomes. Since there are no apparent trends toward a decline in land, construction or financing costs, it is unlikely that any reduction in the cost of housing will be realized in the near future without government intervention or assistance. The availability of financing to all income groups within the community, at competitive interest rates, is not a constraint.

Development Costs

As previously mentioned, the individual components of overall housing cost include land, construction (both labor and material) and finance costs. Of these, financing is the largest individual cost factor with which a developer and, ultimately the home buyer or renter must contend. The degree to which these cost factors have constrained local housing production is not unique to the City of La Mirada, but is a condition that has been rather uniformly experienced throughout the Los Angeles area. For example, the current (1989) land prices in La Mirada range from \$10 to \$12 per square foot for residential, to \$10 to \$12 for industrial, and \$15 to \$20 for commercial property, based on recent transactions of the City's Redevelopment Agency. These prices are very comparable to those experienced in surrounding communities for similar properties with like development opportunities.

Recognizing the market constraints posed by these cost factors, the City intends to take actions aimed at mitigating these constraints to the extent possible. As indicated in the Housing Program section of this element the City will pursue the use of revenue mortgage bonds, as developer interest warrants, as a means of reducing long-term financing costs. Furthermore, the City's Redevelopment Agency may use this and other funding techniques to ensure that a stipulated percentage of the housing units eventually constructed within its Project Area No. 3 will be for low and moderate-income persons.

Vacancy Rate

A market constraint that is particularly affecting the affordability of housing in La Mirada is the residential vacancy rate. As previously mentioned, 3.5 percent of the housing stock within the City is vacant, which is well below the minimum desirable rate of 5 percent. Basically, the demand for housing in the community exceeds the available supply, which inflates both rental and ownership housing prices. The effect of the low vacancy rate on rental housing costs has been further aggravated by a significant decline in rental housing starts.

GOVERNMENTAL CONSTRAINTS

Land Use Controls

The Land Use Element of the La Mirada General Plan sets forth the City's policies for guiding local development. These policies together with existing zoning, establish the amount and distribution of land to be allocated for various uses throughout the City. Residential development in the City of La Mirada is permitted under the following land use categories in accordance with the Land Use Element of the General Plan:

<u>Land Use Category</u>	<u>Gross Allowable Density</u>
Single Family, Low Density	Less than 6 units/acre
Single Family, Medium Density	6-15 units/acre
Multiple Family	15-28 units/acre
Mobile Home Park	Determined by specific development plan

Housing supply and cost are greatly affected by the amount of land designated for residential use and the density at which development is permitted. In La Mirada, 38 percent of the City's land area is designated for residential use. Of this percentage, 35 percent is allocated for single-family use and 3 percent is designated for multiple family purposes.

As indicated in the Housing Needs section of this element, the acreage that has been allocated for residential use is sufficient to accommodate local housing needs through 1994, and probably to the year 2000. Thereafter, the land available for residential development will represent a serious constraint to housing production. There are no non-residentially zoned or designated sites that are suitable for residential purposes. The only long-range opportunity for continued residential development would be the recycling of existing residential uses to higher densities or the development of school sites, if not retained for educational purposes.

The City's residential development standards, both on- and off-site, are not overly or unnecessarily restrictive. The density, setback and other standards regulating development within the City are in concert with those being used by other surrounding communities and will not inhibit the development of a range of housing types within the City. Furthermore, through the use of such tools as Specific Plans and its Planned Unit Development Ordinance, the City can encourage innovative planning and design that, among other benefits, may translate into lower housing costs.

Building Codes

In addition to land use controls, local building codes also affect the cost of housing. La Mirada has adopted the Uniform Building Code which establishes minimum construction standards. These minimum standards cannot be revised to be less stringent without sacrificing basic safety considerations and amenities. No major reductions in construction costs are anticipated through revisions to local building codes. However, working within the framework of the existing codes, the City will implement planning and development techniques that lower costs and facilitate new construction to the extent possible.

Permit Processing

The processing time needed to obtain development permits and required approvals is often cited as a prime contributor to the high cost of housing. Additional time may be necessary for environmental review, depending on the location and nature of a project. Unnecessary delays will add to the cost of construction by increasing land holding costs, interest payments and inflation.

Although these review processes may take a substantial amount of time, they are necessary to integrate a new development into the local urban environment. In response to State law, California cities have been working to improve the efficiency of permit and review processes by providing one-stop processing, thereby eliminating duplication of effort. The passage of Assembly Bill 884, which took effect on January 1, 1978, has also helped to reduce government delays by: 1) limiting processing time in most cases to one year; and 2) eliminating some "red tape" by requiring agencies to specify the information required to complete an acceptable application. The City of La Mirada has fully implemented the provisions of AB 884, as well more recent legislation requiring the establishment of "one-stop" permit coordination. Moreover, based on periodic surveys conducted by the City, local processing times are quite comparable to those experienced in surrounding communities.

Development Fees

As in the case of its processing requirements, the development fees charged by the City are not unreasonable. The fees that are charged by the City are a reflection of the time and effort that must be expended by City staff in order to properly review development plans. Moreover, the City will continue to conduct periodic surveys (both formal and informal) of other cities in the La Mirada area to ensure that local processing costs do not become a constraint on housing production.

Service and Facility Infrastructure

Before a development permit is granted, it must be established that public service and facility systems are adequate to accommodate any increased demand generated by a proposed project. Information provided by the service and utility companies serving the City of La Mirada indicates that the present infrastructure is generally sufficient to accommodate planned levels of growth. Thus, the capacity of service and facility infrastructure is not considered to be an obstacle to the provision of additional housing in La Mirada.

Utilization of State and Federal Assistance Programs

The degree to which the City of La Mirada may participate in State and Federal housing programs is constrained by the nature of those programs, eligibility requirements and funding limitations. The high cost of housing in the City is a deterrent to the use of certain programs, e.g., Section 8 Existing and Moderate Rehabilitation, CHFA Direct Lending, etc., by private developers/property owners. This is due to the relatively low housing costs (purchase price or rent) permitted under these programs. Local population and housing characteristics (e.g., age of housing, lack of physical blight, and the number of lower income households) further limit the City's ability to participate in some programs. In addition, recent reductions in funding levels also represent an impediment to the utilization of these programs.

HOUSING PROGRAM

This section of the element sets forth the City's program for addressing the previously identified needs recognizing the constraints that limit the City in its ability to affect local housing needs. The housing program presented herein will not accommodate all existing housing needs in the City of La Mirada. It would be unrealistic to expect La Mirada or any other city in the State to accomplish such a goal in a relatively short period of time (i.e., five years) with the limited resources available. However, this program does represent a continuing, meaningful effort on the part of the City of La Mirada to expand the availability of housing while improving the quality and maintaining the affordability thereof.

GOALS

The proper basis for any plan of action is a well-integrated set of goals. Such policy statements provide guidance to local decision makers in dealing with housing-related issues and express the desires and aspirations of the community. The La Mirada City Council adopted a series of formal housing goals in 1976. These goals, which give direction to the City's housing program, are as follows:

1. To preserve the single-family residential character of the community.
2. To limit multi-family developments to buffer areas between commercial and single-family residential districts.
3. To encourage development of housing for all social and economic segments of the City.
4. To encourage creative and innovative development both in structural design and utilization of land area.
5. To protect the health, safety, and welfare of all citizens by aggressive code and ordinance enforcement in the elimination of substandard housing conditions and zoning ordinance violations.
6. To diligently explore new methods of enforcement to eliminate the possibility of substandard and deteriorating housing conditions.

ACTION PLAN

In order to progress toward the attainment of established goals, the City has committed itself to specific policies and actions. While the goals are general statements that reveal community values or ideals, the policies presented herein are more specific, time-oriented actions.

The policies and supporting actions have been organized around five major issue areas identified by the State Department of Housing and Community Development. The actions to be undertaken by the City have been programmed to facilitate implementation and evaluate progress. The anticipated impact, responsible agency, potential funding, and schedule for each action is discussed. The area of impact, i.e., Citywide or certain census tracts, has also been identified.

The anticipated accomplishments have been quantified where possible. These estimates were generated on the basis of past performance, as well as the resources that are available to the City for addressing local housing needs. In this respect, the anticipated accomplishments are realistic. A summary of the housing actions to be undertaken by the City is presented in Table 17.

Preserving Housing and Neighborhoods

Policies

In order to preserve housing and neighborhoods, the City of La Mirada shall:

- encourage the maintenance and rehabilitation of existing owner-occupied and rental housing, where feasible;
- upgrade or improve community facilities and municipal services in keeping with community needs;
- investigate and pursue programs and funding sources available to assist in the improvement of residential property; and
- prevent the encroachment of incompatible uses into established residential areas.

Actions

1. Action: Continue to publicize and make available deferred loans for the rehabilitation of residences owned and occupied by very-low and low-income households.

Anticipated Impact: Rehabilitation of deteriorated housing in the City and reduction in the number of owner-occupied units requiring rehabilitation. Provision of decent housing for lower-income homeowners. The program goal is the rehabilitation of 40 units per year, or 200 units¹ over the next five years.

Impact Area: Citywide.

Responsible Agencies: Los Angeles County Community Development Commission (CDC), and La Mirada Community Resources Department.

¹ Based on the past three years of CDBG grant assistance due to change in maximum grant amount from \$1,800 to \$5,000.

Financing: CDBG funds.

Schedule: 1989-1994.

2. Action: Continue to offer below market interest rate loans for the rehabilitation of residences owned and occupied by moderate-income households.
Anticipated Impact: Provide for the rehabilitation of moderate-income owner-occupied residences through below market interest rate loans. The program goal is to rehabilitate 15 units per year for as long as the program is available.
Impact Area: Citywide.
Responsible Agencies: City Community Resources Department and Los Angeles County CDC.
Financing: Single Family Mortgage Revenue Bonds.
Schedule: 1989-1994.
3. Action: Monitor housing conditions throughout the City in order to expand existing rehabilitation efforts as necessary.
Anticipated Impact: Prevention of housing deterioration in well-maintained neighborhoods. City will respond to changing housing conditions, as necessary, through specific housing assistance programs.
Impact Area: Citywide.
Responsible Agency: City's Community Resources Department and Redevelopment Agency.
Financing: Department budgets.
Schedule: Ongoing.
4. Action: Utilize the City's General Plan and zoning ordinances to prevent the encroachment of incompatible uses into established residential areas.
Anticipated Impact: Protection of established and developing residential neighborhoods from incompatible land uses.
Impact Area: Citywide.
Responsible Agency: La Mirada Planning Department.
Financing: Department budget.
Schedule: Ongoing.
5. Action: Review all changes in planned land uses to determine the cumulative impact on community facilities and municipal services.
Anticipated Impact: Provision of adequate levels of community facilities and services in all residential areas of the City.
Impact Area: Citywide.
Responsible Agencies: Various City departments.
Financing: Department budget.
Schedule: Ongoing.

6. Action: Continue existing code enforcement efforts and explore new methods of eliminating deteriorated or unsightly property conditions in residential areas.
Anticipated Impact: Correction of unsightly and hazardous conditions in residential areas.
Impact Area: Citywide.
Responsible Agency: La Mirada Planning Department and Community Resources Department.
Financing: Department budgets.
Schedule: Ongoing.

Preserving Affordability

Policies

In order to preserve the affordability of housing, the City of La Mirada shall:

- promote and, where possible, require the continued affordability of all residential units that may be produced with participation by the City or its authorized agents;
- discourage the conversion of existing apartment units to condominiums where such conversion will diminish the supply of low and moderate-income housing; and
- investigate and pursue programs and funding sources designed to maintain and/or improve the affordability of existing housing units to low and moderate-income households.

Actions

1. Action: Adopt an inclusionary zoning ordinance amendment to require that all new developments within the boundary of the Beach Boulevard Commercial Redevelopment Project (Project No. 3) have 15 percent of the units available to very low to moderate-income families and 45 percent of the 15 percent for very low.
Anticipated Impact: Ensure the availability of housing opportunities for all segments of the community. Generation of 200 affordable housing units.
Impact Area: Census Tract 5037.03.
Responsible Agency: La Mirada Planning Department.
Financing: Development requirement.
Schedule: 1991
2. Action: Continue to require that any condominium conversions be processed under the City's Planned Unit Development Ordinance.

Anticipated Impact: Preservation of affordable rental units, or the creation of affordable purchase housing, and provision of financial and other assistance for households displaced by condominium conversion activity.

Impact Area: Citywide.

Responsible Agency: La Mirada Planning Department.

Financing: Development requirement.

Schedule: Ongoing.

3. Action: Continue and expand the availability of rental assistance for local residents.

Anticipated Impact: Reduction in housing assistance needs by continuing to coordinate with the Los Angeles County Housing Authority to administer the Section 8 Housing Assistance Program. Based upon past experience, the program goal is for eight households to be assisted over the five-year period. This level of assistance includes both elderly households and low and moderate-income families.

Impact Area: Citywide.

Responsible Agency: Los Angeles County Housing Authority.

Financing: Section 8 (Existing) Housing Assistance Program.

Schedule: Ongoing.

4. Action: Investigate the feasibility and value of establishing a local rental assistance program for elderly households using redevelopment tax increment revenue allocated to the 20 percent Low and Moderate-Income Housing Fund.

Anticipated Impact: Possible formulation and implementation of a rental assistance program, administered by an outside agency, that would benefit an undetermined number of elderly households.

Impact Area: Citywide.

Responsible Agency: La Mirada Redevelopment Agency.

Financing: Redevelopment Agency Low and Moderate-Income Housing Fund.

Schedule: 1991-92 (complete feasibility study).

5. Action: Implement an affordable housing program for purchasing 50 condominiums in a new residential development, then resell them to low and moderate-income families at an affordable price.

Anticipated Impact: Increase the supply of affordable housing opportunities.

Impact Area: Census Tract 5037.03.

Responsible Agency: La Mirada Redevelopment Agency.

Financing: Tax allocation bonds.

Schedule: 1989-1994

Standards and Plans for Adequate Sites

Policies

In order to ensure the provision of adequate, suitable sites for the construction of housing, the City of La Mirada shall:

- use the Land Use Element of the General Plan and the zoning ordinance to ensure the availability of adequate sites for a variety of housing types;
- ensure the compatibility of residential areas with surrounding uses through the separation of incompatible uses, construction of adequate buffers, and other land use controls;
- ensure that all residential areas are provided with adequate public facilities and services;
- direct the construction of low and moderate-income housing to sites which are:
 - a. located with convenient access to schools, parks, public transportation, shopping facilities, and employment opportunities,
 - b. adequately served by public utilities,
 - c. compatible with surrounding existing and planned land uses,
 - d. minimally impacted by noise, flooding, or other environmental constraints, and
 - e. outside areas of concentrated lower-income households.

Actions

1. Action: Utilize the City's General Plan and zoning ordinance to provide adequate, suitable sites for new housing construction.
Anticipated Impact: Provision of adequate sites for the construction of over 1,800 residential units.
Impact Area: Citywide with emphasis on Census Tract 5037.03.
Responsible Agency: La Mirada Planning Department.
Financing: Department budget.
Schedule: 1989-94
2. Action: Use zoning and other land use controls to ensure the compatibility of residential areas with surrounding uses.
Anticipated Impact: Creation and maintenance of desirable living areas, physically separated or otherwise protected from incompatible uses.

Impact Area: Citywide.

Responsible Agency: La Mirada Planning Department.

Financing: Department budget.

Schedule: Ongoing.

3. Action: Utilize environmental and other development review procedures to ensure that all new residential developments are provided with adequate public facilities and services.

Anticipated Impact: Assurance that all new residential developments are provided with adequate public facilities and services.

Impact Area: Citywide.

Responsible Agency: La Mirada Planning Department.

Financing: Development requirement.

Schedule: Ongoing.

4. Action: Create and maintain an inventory of vacant and underutilized sites suitable for housing purposes.

Anticipated Impact: Dissemination of information to private developers to facilitate housing production.

Impact Area: Citywide.

Responsible Agency: La Mirada Planning Department.

Financing: Department budget.

Schedule: 1989-1994

5. Action: Direct low and moderate-income housing construction to sites that conform with established siting criteria.

Anticipated Impact: Construction of low and moderate-income housing on sites best suited for such purposes.

Impact Area: Citywide.

Responsible Agency: La Mirada Planning Department.

Financing: Department budget.

Schedule: Ongoing.

Accessibility

Policies

In order to assure accessibility to decent housing for all persons, the City of La Mirada shall:

- promote fair housing practices throughout the community;
- encourage the development of housing which meets the special needs of handicapped and elderly households;

- promote the provision of housing to meet the needs of families of all sizes; and
- encourage the provision of rental units for families with children.

Actions

1. Action: Continue to utilize the services of the Long Beach Fair Housing Foundation.
Anticipated Impact: Investigation of all complaints of housing discrimination in the City and the provision of counseling in landlord/tenant disputes, special assistance for Hispanic and female-headed households, and other housing services.
Impact Area: Citywide.
Responsible Agencies: Long Beach Fair Housing Foundation and La Mirada Community Resources Department.
Financing: CDBG funds.
Schedule: Ongoing.
2. Action: Continue to utilize the housing information and referral services offered by the Los Angeles County Housing Authority for persons seeking affordable rental and purchase housing.
Anticipated Impact: Provision of housing referral and other assistance to low and moderate-income households seeking affordable housing.
Impact Area: Citywide.
Responsible Agencies: La Mirada Planning Department and Los Angeles County Housing Authority.
Financing: Department budgets.
Schedule: Ongoing.

Adequate Provision

Policies

In order to ensure the adequate provision of housing for all economic segments of the community, the City of La Mirada shall:

- protect and expand housing opportunities for households needing assistance, including senior citizens, low and moderate-income families, and handicapped persons;
- encourage the use of innovative land use techniques and construction methods to minimize housing costs without compromising basic health, safety, and aesthetic considerations;
- strive to provide incentives for and otherwise encourage the private development of new affordable housing for low and moderate-income households;
- investigate and pursue programs and funding sources designed to expand housing opportunities for low and moderate-income households, including first time home buyers, the elderly and handicapped;
- facilitate the construction of low and moderate-income housing to the extent possible; and
- periodically reexamine local building and zoning codes for possible amendments to reduce construction costs without sacrificing basic health and safety considerations.

Actions

1. Action: Continue to provide density bonuses or other incentives for housing developments incorporating low and moderate-income units.
Anticipated Impact: Expansion of affordable housing supply through provision of density bonuses or other incentives. This action is being initiated in response to Section 65915 et. seq., of the California Government Code. This legislation, which was amended in 1990, requires that a density bonus and at least one other incentive be granted for any project consisting of five or more units in which at least 20 percent of the units will be available to lower income households.
Impact Area: Citywide.
Responsible Agency: La Mirada Planning Department.
Financing: Department budget.
Schedule: 1989-1994

2. Action: Continue to encourage the use of innovative land use techniques and construction methods to minimize housing costs.
Anticipated Impact: Reduction in housing costs through innovative planning and construction techniques without compromising basic health, safety, and aesthetic considerations. Program goal is to facilitate construction of 89 units.
Impact Area: Citywide.
Responsible Agency: La Mirada Planning Department.
Financing: Department budget.
Schedule: Ongoing.
3. Action: Continue to subsidize the cost of land and off-site improvements in order to facilitate the construction of low and moderate-income housing.
Anticipated Impact: Production of affordable housing for low and moderate-income households. Program goal is to facilitate the construction of 239 units.
Impact Area: Census tracts 5040.01 and 5041.01.
Responsible Agencies: La Mirada Redevelopment Agency and Community Resources Department.
Financing: La Mirada Redevelopment Agency funds.
Schedule: 1989-1990
4. Action: Continue to provide financial assistance to the Rio Hondo Temporary Home (RHTH) for the provision of homeless and transitional housing assistance. Future funding levels will be based on identified need, funding availability, and City Council approval.
Anticipated Impact: Provide funding for homeless persons originating from the City of La Mirada.
Impact Area: Citywide.
Responsible Agencies: La Mirada Redevelopment Agency and RHTH.
Financing: Redevelopment tax increment (20 percent set-aside).
Schedule: 1989-1994
5. Action: Assist private developers and non-profit organizations in obtaining federal or state funding to facilitate the development of affordable housing for low and moderate-income households.
Anticipated Impact: Procurement of funding for the construction of 75 units of affordable senior citizen housing.
Impact Area: Census tract 5041.01.
Responsible Agencies: Community Resources Department and La Mirada Redevelopment Agency.
Financing: Section 202 Program.
Schedule: 1989
6. Action: Negotiate the development of a 200 unit senior housing development for very low to moderate-income seniors in the Beach Boulevard Redevelopment Project (No. 3) as part of the master planning of the Chevron Hills development.

Anticipated Impact: Construction of 200 affordable senior housing units through the use of a local rental assistance program.

Impact Area: Census tract 5037.03.

Responsible Agency: La Mirada Redevelopment Agency.

Financing: Development Agency low and moderate-income housing fund.

Schedule: 1992-93

TABLE 17
HOUSING ACTION PLAN/1989-1994

<u>Action</u>		No. of Units Constructed/ Rehabilitated/ <u>Conserved</u>	No. of Households <u>Assisted</u>	Impact <u>Area*</u>	Responsible <u>Agencies</u>	<u>Financing**</u>	<u>Schedule</u>
A.	<u>Preserving Housing and Neighborhoods</u>						
1.	Continue rehabilitation deferred loan program for owner-occupied residences.	200		Citywide	L.A. County CDC, City Community Resources Dept.	CDBG	1989-94
2.	Continue to offer below market interest rate loans for the rehabilitation of owner-occupied residences.	75		Citywide	L.A. County CDC, City Community Resources Dept.	Single-Family Mortgage Revenue Bonds	1989-94
3.	Monitor housing conditions and expand rehabilitation efforts, as necessary.	12,869		Citywide	City Community Resources Dept.	Dept. Budget	1989-94
4.	Utilize General Plan and zoning to protect neighborhood integrity.		12,447	Citywide	City Planning Dept.	Dept. Budget	1989-94
5.	Review all land use changes for impact on community facilities and services.		12,447	Citywide	Various City Depts.	Dept. Budgets	1989-94
6.	Continue and expand code enforcement efforts, as necessary.	12,869		Citywide	City Planning and Community Resources Depts.	Dept. Budgets	1989-94

* See Figure 3 for census tract boundaries.

** Refer to Appendix "A" for information regarding potential funding sources for housing actions.

	<u>No. of Units Constructed/ Rehabilitated/ Conserved</u>	<u>No. of Households Assisted</u>	<u>Impact Area*</u>	<u>Responsible Agencies</u>	<u>Financing**</u>	<u>Schedule</u>
B. <u>Preserving Affordability</u>						
1. Adopt an inclusionary ordinance amendment to require that all new developments in Redevelopment Project Area No. 3 have 15% of the units available to very low to moderate-income families and 45% of the 15% for very low.	200*		CT 5037.03	City Planning Dept.	Development Requirement	1991
2. Continue to use the City's PUD ordinance to preserve affordable housing during condo conversion.		Unknown	Citywide	City Planning Dept.	Development Requirement	1989-94
3. Continue to expand rental assistance program.		8	Citywide	L.A. County Housing Authority	Section 8 Housing Assistance Program	1989-94
4. Implement an affordable housing program for purchasing 50 condominiums in a new residential development, then resell them to low- and moderate-income families at an affordable price.		50	CT 5037.03	Redevelopment Agency	Tax Allocation Bonds	1989-94
5. Investigate feasibility of establishing a local rental assistance program for elderly households using Low and Moderate-Income Housing Fund.		N/A	Citywide	Redevelopment Agency	Redevelopment Tax Increments (20% set-aside)	1991-92 (complete study)

* These units are accounted for under Action C.1.

		No. of Units Constructed/ Rehabilitated/ <u>Conserved</u>	No. of Households <u>Assisted</u>	<u>Impact Area*</u>	<u>Responsible Agencies</u>	<u>Financing**</u>	<u>Schedule</u>
C.	<u>Standards and Plans for Adequate Sites</u>						
	1. Utilize General Plan and zoning to provide adequate, suitable sites for new construction.	1,812*		Citywide with emphasis on CT 5037.03	City Planning Dept.	Dept. Budget	1989-94
	2. Use zoning and other land use controls to ensure compatibility of residential areas with surrounding uses.		12,447	Citywide	City Planning Dept.	Dept. Budget	1989-94
	3. Utilize environmental and other review procedures to ensure adequacy of public facilities and services for new residential developments.		12,447	Citywide	City Planning Dept.	Dept. Budget	1989-94
	4. Create and maintain inventory of potential housing sites.	N/A		Citywide	City Planning Dept.	Dept. Budget	1989-94
	5. Direct low/moderate income housing construction to appropriate sites.	N/A		Citywide	City Planning Dept.	Dept. Budget	1989-94
D.	<u>Accessibility</u>						
	1. Continue to utilize services of the Long Beach Fair Housing Foundation.		12,447	Citywide	Long Beach Fair Housing Foundation City Community Resources Dept.	CDBG	1989-94
	2. Continue to use housing referral and other referral and other services offered by L.A. County Housing Authority.		12,447	Citywide	L.A. County Housing Authority, City Planning Dept.	Dept. Budgets	1989-94

* Based upon buildout of available acreage in accordance with La Mirada General Plan. Actual number of units constructed over the next five years will depend upon decisions made in the private marketplace.

		<u>No. of Units Constructed/ Rehabilitated/ Conserved</u>	<u>No. of Households Assisted</u>	<u>Impact Area*</u>	<u>Responsible Agencies</u>	<u>Financing**</u>	<u>Schedule</u>
E.	<u>Adequate Provision</u>						
1.	Continue to provide density bonuses or other incentives for developments incorporating low/moderate income units.	Unknown		Citywide	City Planning Dept.	Dept. Budgets	1989-94
2.	Continue to encourage use of innovative land use and construction techniques to minimize housing costs.	89*		Citywide	City Planning Dept.	Dept. Budget	Ongoing
3.	Continue to subsidize land/off-site improvement costs to facilitate low/moderate income housing construction.	239**		CT 5040.01 and 5041.01	Redevelopment Agency and City Community Resources Dept.	Redevelopment Tax Increments	1990
4.	Continue to provide financial assistance to the Rio Hondo Temporary Home (RHTH) for the provision of homeless and transitional housing assistance.		90	Citywide	Redevelopment Agency and RHTH	Tax Increments (20% set-aside)	1989-1994

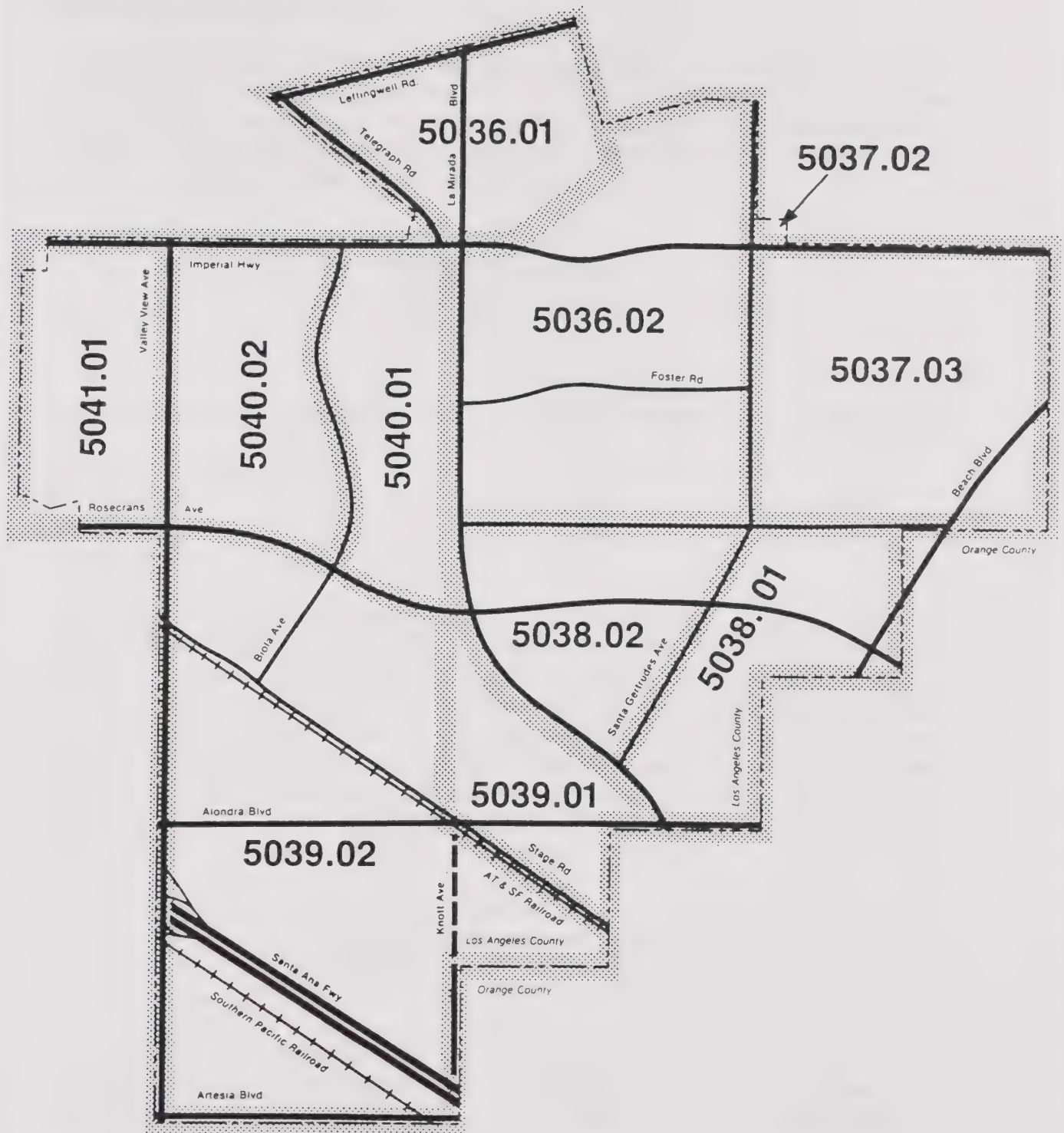
* These units are accounted for under Action C.1.

** These units are accounted for under Action C.1. Figure includes 75 units generated by Action E.5.

		No. of Units Constructed/ Rehabilitated/ <u>Conserved</u>	No. of Households <u>Assisted</u>	Impact <u>Area</u> *	Responsible <u>Agencies</u>	<u>Financing</u> **	<u>Schedule</u>
5.	Assist private developers and non-profit organizations in obtaining federal or state funding for development of affordable housing.	75*		CT 5041.01	Community Resources Dept. and La Mirada Redevelopment Agency	Section 202 Program	1989
6.	Negotiate development of affordable senior housing as part of master planning for Chevron Hills project.	200**		CT 5037.03	Redevelopment Agency	Redevelopment Tax Increments (20% set-aside)	1992-93

* These units are accounted for under Action C.1.

** These units are accounted for under Action C.1. and are the same units listed under related Action B.1.



CENSUS TRACTS

FIGURE 3
LA MIRADA
HOUSING ELEMENT UPDATE

QUANTIFIED OBJECTIVES

As shown in Table 18, the City expects over 1,250 new dwelling units to be constructed in La Mirada during the current (1989-94) planning period. Of these units, 186 units would be for lower income households and 192 units would be for moderate income households. The City further anticipates that 75 units will be rehabilitated and 200 units will be conserved by 1994.

Table 18
Quantified Objectives
By Income Category
1989-94

<u>Income Category</u>	<u>New Construction</u>	<u>Housing Actions Rehabilitation</u>	<u>Conservation</u>
Very Low Income	146	15	50
Low Income	40	35	100
Moderate Income	192	25	50
Upper Income	875	-	-

Focusing on the quantified objectives for new construction, these objectives are compared to the projected new construction needs estimated by SCAG in Table 19. As seen in this table, the City expects to meet and exceed the estimated needs in all categories except low income. The anticipated shortfall in the low income category is due partially to the fact that the City does not have adequate resources to meet all projected needs and has given priority to the most needy (i.e., very low income) segment of the population in allocating its resources. The timing for the development of additional low income units also depends upon decisions made in the private marketplace, over which the City has little control.

Table 19
Housing Needs and Anticipated
Accomplishments By Income Category

<u>Income Category</u>	<u>Additional Units Needed by 1994 (1)</u>	<u>Units City Expects To Be Constructed by 1994</u>	<u>Percent of Need Fulfilled</u>
Very Low	112	146	130%
Low	136	40	29%
Moderate	189	192	102%
Upper	622	875	141%

- (1) Southern California Association of Governments' Regional Housing Needs Assessment, June, 1988.

PRIORITIES

As previously indicated, the ability of the City of La Mirada to affect local housing needs is limited by the resources available for this purpose. These resources include land, enabling legislation, political leverage or housing expertise, and funding. Local governments in particular are constrained by the availability of funding for housing-related activities.

In order that available resources are used most effectively, thereby maximizing the benefits derived therefrom, a prioritization of local housing needs is essential as a guide in distributing those resources. Therefore, where conflict may arise in the implementation of the housing program set forth herein, the City shall allocate its limited resources on the basis of the following priorities:

Priority 1 - Maintenance and improvement of the existing housing stock.

Priority 2 - Preservation of existing affordable housing opportunities.

Priority 3 - Expansion of the local housing supply in terms of both market-rate and affordable housing.

PROGRESS TOWARD ACHIEVING GOALS

As part of the periodic review of the housing element, each local government is required to evaluate its progress toward achieving the goals contained in the previous five-year housing element. This evaluation should include a discussion of the following: 1) the effectiveness of the housing element in the attainment of the State housing goal; 2) an analysis of the significant differences between what was projected and what was achieved; and 3) a description of how the goals, objectives, policies, and programs of updated element incorporate what has been learned from the results of the previous element.

The differences between the projected goal and what was achieved is primarily measured by and based upon the existing and future housing needs identified by SCAG's Regional Housing Allocation Model (RHAM). The RHAM identifies the City's existing and future housing need broken down into four household income categories. According to the RHAM, the City's housing goal was to construct 1,244 housing units broken down as follows: 131 "very low" (less than 50 percent of the county median income); 160 "low" (50 to 80 percent of the county median); 222 "moderate" (80 to 120 percent of the county median); and 731 "upper" (more than 120 percent of the county median).

A comparison between the projected and actual housing goal revealed that the City of La Mirada fell short of its fair share housing goal of 1,244, as well as its overall housing construction goal of 1,490 units. Similarly, the Section 8 rental assistance goal of 16 was not achieved. During the period of the previous housing element, 230 housing units were constructed and 8 additional households received Section 8 rental assistance. By contrast, the City exceeded their residential rehabilitation rebate goal of 225 units by some 35 rebates. Other achievements included the initiation of a rehabilitation/grant deferred payment loan program, investigation into the use of mortgage revenue bonds for residential financing, creation of an inventory of potential housing development sites, and the investigation of density bonuses and other incentives for incorporating low and moderate-income units into new developments. Other accomplishments included assisting developers to secure funding for affordable housing construction and considering subsidizing land/off-site improvement costs to facilitate the production of low and moderate-income housing.

An analysis of the differences between what was projected in the previous housing element and what was achieved is depicted in Table 20.

The goals, objectives, and policies of the updated housing element, like the previous housing element, represent realistic, attainable housing goals based on the City's existing personnel, financial resources, and development opportunities.

Table 20

**Summary of Progress
Toward Achieving Goals**

<u>Program Action</u>	<u>Projected Goal</u>	<u>Actual Achievement</u>
Rehabilitation Rebates for Owner-Occupied Residences	225	260
Investigate the Initiation of a Rehabilitation Grant/Deferred Payment Loan Program for Owner-Occupied Residences	Investigate in 1986	Achieved
Monitor Housing Conditions and Expand Rehabilitation Efforts	--	Achieved
Expand Section 8 Rental Assistance Program	16	8
Require that 15 Percent of all Units Constructed in Redevelopment Project Area No. 3 are affordable to Low and Moderate-Income Persons	66*	0
Pursue the Use of Revenue Mortgage Bonds for Residential Financing	--	Achieved
Utilize General Plan and Zoning to Facilitate New Housing Construction	1,490	230
Create and Maintain an Inventory of Potential Housing Sites	--	Achieved
Investigate Procedures for Provision of Density Bonuses or Other Incentives for Developments Incorporating Low/Moderate-Income Units	--	Achieved
Assist Developers in Attempting to Secure Funding for Construction of Affordable Housing	--	Preparing Funding Application

<u>Program Action</u>	<u>Projected Goal</u>	<u>Actual Achievement</u>
Consider Subsidizing Land/Off-Site Improvement Costs to Facilitate Low/Moderate-Income Housing Construction	--	Negotiating with Sponsor

-
- * This action will be achieved in the next five-year period, see updated Housing Element (Preserving Affordability Action No. 1).

REVIEW AND UPDATE

In order to maintain the Housing Element as a viable, working document, it must be reviewed and updated periodically. Periodic review will allow the City to evaluate the progress made toward the attainment of established housing goals. It will also provide the City with an opportunity to adjust programs to respond to changing needs and/or fiscal conditions within the community. The Housing Action Plan has been structured so as to facilitate performance evaluation.

The Housing Element will be updated as need dictates, but no less than once every five years. Beginning with the 1980 Census, the Federal Census will be conducted every five years. Therefore, the community profile and housing problem analysis contained in this element will be updated at five-year intervals, corresponding with the release of Federal Census data.

In addition to this periodic updating, the City will annually review and evaluate the effectiveness of its housing programs in accomplishing established goals and policies. This review will be conducted in conjunction with the preparation of the City's annual Community Development Block Grant application and specifically the Housing Assistance Plan component thereof. In addition, the City's Redevelopment Agency will annually prepare a report on the status and use of the housing set-aside funds deposited in its Low and Moderate-Income Housing Fund. Opportunities for local residents to participate in the periodic review and updating of the Housing Element will continue to be provided through advertised meetings and/or hearings before the Planning Commission and City Council.

In preparing this updated element, the City did re-examine the goals and policies that give direction to the City's housing programs, as well as the progress that has been made toward their attainment. As previously stated, the housing goals that were adopted by the City Council in 1976 are responsive to the State housing goals and continue to reflect the desires and aspirations of the community. Hence, through the adoption of this updated element, the City of La Mirada has reaffirmed its commitment to these goals.

While various housing needs and/or problems continue to persist within the community, the City has made progress toward the attainment of these goals since the City's last amended Housing Element in 1984. The actions that have been taken by the City Council during the intervening years have expanded the supply and improved the quality and affordability of housing within the community. Over the past 10 years, nearly 713 new residential units were constructed within the City. Furthermore, over the past five years, some 964 units were rehabilitated with financial assistance provided by the City. In addition, eight La Mirada households have received Section 8 Rental Assistance per year, during this period.

OPPORTUNITIES FOR ENERGY CONSERVATION

As non-renewable energy resources have been progressively depleted and energy costs continue to rise, homeowners have become increasingly aware of energy conserving measures primarily as a means to offset and control the rising costs of fuel. While the use of alternative energy sources is most advantageous in developing new housing, there are numerous energy conserving measures which can be retrofitted onto existing and older housing which conserve the use of non-renewable fuels and save money. Some of the most readily available and feasible measures are briefly described below. In addition, energy conserving fixtures for new and existing units and energy conservation measures for residents are presented in Tables 21 and 22, at the end of this section.

1. Insulation and Weatherproofing

Most older homes were built during times when there was little concern for the use of oil and natural gas for heating purposes. Additionally, the window and door opening fixtures were intended primarily for passage of light into the home. While many of these fixtures were designed to meet these basic requirements, minimal effort was expended to assure air-tight closures when both exterior doors and windows were closed. To conserve the heat generated by gas or oil fired heating units and minimize the heat loss ratio, older homes can be insulated in the attic space and exterior walls. Windows and exterior doors can also be fitted with air-tight devices, caulking, or other means to maximize heating and cooling efforts.

2. Natural Lighting

Daytime interior lighting costs can be significantly reduced or eliminated with the use of properly designed and located skylights. Skylights can be easily installed at reasonable expense in existing houses, thereby substantially reducing electricity costs and energy consumption.

3. Solar Energy

Solar energy is a practical, cost effective, and environmentally sound way to heat and cool a home. In California, with its plentiful year-round sunshine, the potential uses of solar energy are numerous. With proper building designs, this resource provides for cooling in the summer and heating in the winter; it can also heat water for domestic use and swimming pools and generate electricity.

Unlike oil or natural gas, solar energy is an unlimited resource which will always be available. Once a solar system is installed, the only additional costs are for the maintenance or replacement of the system itself. The user is not subject to unpredictable fuel price increases. Moreover, solar energy can be utilized without any serious safety or environmental concerns.

Solar heating and cooling systems are of three general types: passive, active, or a combination thereof. In passive solar systems, the building structure itself is designed to collect the sun's energy, then store and circulate the resulting heat similar to a green house. Passive buildings are typically designed with a southerly orientation to maximize solar exposure, and constructed with dense materials such as concrete or adobe to better absorb the heat. Properly placed windows and overhanging eaves also contribute to keeping a house cool.

Active systems collect and store solar energy in panels attached to the exterior of a house. This type of system utilizes mechanical fans or pumps to circulate the warm/cool air, while heated water can flow directly into a home's hot water system.

Although passive systems generally maximize use of the sun's energy and are less costly to install, active systems have greater potential application to both cool and heat the house and provide hot water. This may mean lower energy costs for La Mirada residents presently dependent on conventional fuels. The City should also encourage the use of passive solar systems in new residential construction to improve energy efficiency for its citizens.

4. Water Conservation

Simple water conservation techniques can save a family thousands of gallons of water per year, plus many dollars in water and associated energy consumption costs. Many plumbing products are now available which eliminate unnecessary water waste by restricting the volume of water flow from faucets, shower heads, and toilets. The use of plant materials in residential landscaping that are well adapted to the climate in the La Mirada area can also measurably contribute to water conservation by reducing the need for irrigation, much of which is often lost through evaporation.

A family can also save water by simply fixing dripping faucets and using water more conservatively. In addition, such conservation practices save on gas and electricity needed to heat water and the sewage system facilities needed to treat it. By encouraging residents to conserve water and retrofit existing plumbing fixtures with water saving devices, the City can greatly reduce its water consumption needs and expenses.

5. Energy Audits

The Southern California Edison Company provides energy audits to local residents on request. Many citizens are not aware of this program. The City can aid in expanding this program by supplying the public with pertinent information regarding the process including the appropriate contacts. Energy audits are extremely valuable in pinpointing specific areas in residences which are responsible for energy losses. The inspections also result in specific recommendations to remedy energy inefficiency.

6. New Construction

The City of La Mirada will continue to require the incorporation of energy conserving appliances, fixtures, and other devices into the design of new residential units. The City will also continue to review new subdivisions to ensure that each lot optimizes proper solar access and orientation to the extent possible. Additionally, the City should consider enacting an ordinance that prohibits property owners from obstructing the solar access of their neighbors. Two State laws enacted in 1978 (the Solar Rights Act and the Solar Shade Control Act) offer a variety of methods to preserve solar access. However, to date there has been no local enactment of this State enabling legislation.

Table 21
Energy Conservation Features
for New Construction and Existing Units

A. Energy-Efficient Equipment

1. Energy-efficient gas ranges with pilotless ignitions.
2. Energy-efficient gas built-in surface units with pilotless ignitions.
3. Energy-efficient gas built-in oven units with pilotless ignitions.
4. Energy-efficient gas water heaters.
5. Energy-efficient gas forced air furnaces with pilotless ignitions.
6. Energy-efficient gas wall furnaces with automatic thermostats.
7. Energy-efficient gas clothes dryers with pilotless ignitions (per dwelling unit).
8. Gas outlets for energy-efficient gas clothes dryers (single-family and condominiums).

B. Energy-Efficient Support Measures

1. Gas heating thermostats with setback capability.
2. Clogged-filter indicators for gas heating systems.
3. Fireplace dampers with exposed handles.
4. Heat exchangers in fireplace or free-standing solid fuel units.
5. Humidifiers added to gas heating system.

Table 21 (Cont.)

6. Flue dampers as integral part of forced air unit heating systems.

C. Energy-Efficient Construction

1. Double glazed windows and doors.
2. Glass area less than 12 percent of heated space.
3. Foam-filled (or equivalent) insulated exterior doors (per door).
4. Insulation in attic increased to R-22 or R-30.
5. Insulation in walls increased to R-19.
6. Slab perimeter insulation R-7 or greater.
7. Hot water pipe insulation of ½" or more in unheated areas.
8. R-7 or greater insulation installed under wood floors.

D. Energy-Efficient Solar/Gas Installations

1. Energy-efficient solar/gas water heating.
2. Energy-efficient solar/gas space heating.
3. Energy-efficient solar/gas pool heating (all dwelling units).

E. Energy-Efficient Electrical Equipment

1. Air economizers in conjunction with cooling system.
2. Dishwashers with power saving drying cycles.
3. Air conditioning (central) or room units with Energy Efficiency Rating of 9 or more.
4. Fluorescent lighting fixtures in kitchen area.
5. Fluorescent lighting fixtures in all baths.
6. Fluorescent lighting fixtures in recreation room.

Source: Southern California Gas Company, June 1989.

Table 22

Energy Conservation Measures for Residents

A. Heating

1. Keep room temperature at 65 degrees or lower. Turn heating control down at night or when away from home. Install a thermostat with a night setback features which does this automatically.
2. Draw draperies at night to limit heat loss, open them on sunny days to let the heat in.
3. Close damper when fireplace is not in use.
4. Check the furnace filter monthly, and replace it when dirty. To check filter, hold it to the light; if light does not pass through readily, replace filter. Cleaning is not recommended (unless equipped with a permanent filter).
5. Turn off furnace pilot at end of heating season.
6. Weatherstrip windows and doors.
7. Caulk cracks around windows and doors.

B. Water Heating

1. Take fast showers.
2. Repair leaky faucets.
3. Install water-saving showerheads which restrict water flow.
4. Operate dishwashers only for full loads.
5. Set water heater thermostat below "normal". Turn to "pilot" position when away for extended periods of time (one week or longer).
6. Use cold water for operating food waste disposer and for pre-rinsing dishes.
7. When handwashing dishes, avoid rinsing under continuous hot running water.
8. Insulate water heater with an insulation blanket.

Table 19 (Cont.)

C. Laundry

1. Wash and dry full loads of clothes, or adjust water level for the size of the load.
2. Wash clothes in warm or cold water.
3. Do not over-dry clothes, follow manufacturer's instructions for drying time.

D. Cooking

1. Reduce burner flame to simmer after cooking starts.
2. Cook by time and temperature, avoid opening oven door while food is cooking.
3. Use one-place cooking when possible, prepare meals using only the oven, broiler, or top burner.
4. Check to make sure all burners are off when not in use.

Source: Southern California Gas Company, June 1989.

APPENDIX "A"

**POTENTIAL FUNDING MECHANISMS
FOR HOUSING ACTIONS**

FEDERAL PROGRAMS

Section 8 Existing

Under this program, the Federal government assists lower-income households so that they expend no more than 30 percent of their monthly income on decent, sanitary housing. Rental assistance payments that constitute the difference between 30 percent of the household's monthly income and the fair market rent for the unit under contract are made monthly to the property owner by local housing agencies. In order to be eligible for such assistance, a household's annual income must not exceed 80 percent of the median family income for the Standard Metropolitan Statistical Area (SMSA) in which it resides. In order for a rental unit to qualify, it must rent within fair market rents (FMRs) established by the Federal Department of Housing and Urban Development (HUD).

Section 8 Moderate Rehabilitation

Under this program, housing assistance payment (HAP) contracts can be executed between local governments and participating property owners for units that have undergone moderate rehabilitation. Contracts can be executed for a five-year term, renewable for up to 15 years. Landlords are required to make a minimum investment of \$2,000 per unit for upgrading in structures containing 12 or fewer units, or \$1,000 per unit in structures having more than 12 units. Contract rents may be approved up to 120 percent of the fair market rents for the Section 8 Existing Program.

The Moderate Rehabilitation program, like other Section 8 programs, has no predesigned financing mechanism for owners. The local government would be expected to market the program to private lenders, as well as to owners. However, a city could provide financing through its Community Development Block Grant (CDBG) funds, if it so desired. In this manner, a city could "piggy-back" long-term Section 8 Moderate Rehabilitation HAP contracts with CDBG-funded rehabilitation loans.

Section 8 New Construction

This program is designed to develop new affordable housing for the elderly, the handicapped, or lower-income families. Sponsors of assisted housing under this program may be individuals, profit or nonprofit organizations, or public housing agencies. Proposals are submitted directly to HUD by interested sponsors. When a proposal is accepted by HUD, a rental assistance contract is executed between HUD and the owner under which HUD agrees to make payments equivalent to the difference between 30 percent of an eligible household's monthly income and the fair market rent for the unit under contract. Such payments can be made for a specified term of up to 20 years, or up to 40 years for projects assisted by a loan or loan guarantee from a State or local agency. The Section 8 New Construction program

does not provide construction financing, but the rental assistance contract can be pledged as security for financing.

Section 202

This program provides for long-term direct loans from HUD to private nonprofit sponsors to finance rental or cooperative housing facilities for elderly and handicapped persons. Households of one or more persons, the head of which is at least 62 years old or is handicapped, are eligible tenants. In tandem with construction financing, tenants may receive rental assistance from a national set-aside of Section 8 funds.

Section 106(b) - Seed Money Loans

Section 106(b) provides for interest-free seed money loans to non-profit sponsors to cover 80 percent of the preconstruction expenses in planning low and moderate-income housing projects. At present, the loans are being made only in connection with Section 202 loans for housing for the elderly and handicapped. The seed money is repaid from the permanent mortgage loan proceeds.

Eligible expenses include organization costs, legal, consultant, architectural, preliminary site engineering, application and construction loan fees, and site options.

Community Development Block Grant

Through the Community Development Block Grant (CDBG) program, HUD provides grants and loans to local governments for funding a wide range of community development activities. No local match is required.

A city can help to facilitate the construction of low and moderate-income housing through the use of its CDBG funds. For example, CDBG funds can be used to upgrade public works, such as sewers needed to serve new residential construction. These funds could also be used for: 1) acquisition and disposition of real property; 2) public facilities and improvements; 3) slum clearance activities; 4) public services; 5) interim assistance; 6) payment of non-Federal share of a grant-in-aid program; 7) relocation; 8) removal of architectural barriers to the physically handicapped; and 9) privately-owned utilities.

CDBG assistance may also be used for the following rehabilitation and preservation activities: 1) rehabilitation of public residential structures, 2) modernization of public housing, 3) rehabilitation of private properties, 4) temporary relocation assistance, 5) code enforcement, and 6) historic preservation.

Except in limited circumstances, CDBGs may not be used for new construction of housing.

STATE PROGRAMS

SB 99 - Redevelopment Construction Loans

Chapter 8 of the California Community Redevelopment Law, Redevelopment Construction Loans, was promulgated by passage of SB 99 in 1975 and authorizes redevelopment agencies to issue revenue bonds to finance residential construction in redevelopment project areas and elsewhere via long-term, low-interest loans through qualified mortgage lenders. Alternatively, the agency may purchase insured loans made by qualified lenders. The proceeds from the issuance of bonds are used to finance or purchase mortgages and write down the interest rates thereon. The mortgage payments made by property owners, in turn, retire the bonds. Loans made under SB 99 must be insured.

SB 418 (Marks), an urgency statute of 1980, expanded the types of projects to which SB 99 revenue bond financing can be applied. If a redevelopment agency determines that a commercial neighborhood service center is an integral part of a residential neighborhood, then they can issue bonds to procure financing for commercial and mixed use (commercial/residential) construction. The rehabilitation of structures, i.e., repairs and improvements to a substandard residence in order to meet local codes, is also allowed. Income level limitations on future occupants and other specific criteria must be met.

California Housing Financing Agency (CHFA) - Direct Lending

Under this program, CHFA provides mortgage loans to profit-oriented developers, nonprofit sponsors, and local housing agencies for the construction or rehabilitation of housing developments containing five or more units. The agency lends directly to the sponsor through its loan underwriting process. A project usually receives a loan from the agency accompanied by a commitment of rental assistance for all or a portion of the units. The rental assistance allocations are made by HUD under the Section 8 program, but are administered by CHFA. The agency sells long-term tax exempt bonds to provide up to 40-year mortgage financing.

California Housing Finance Agency - Home Ownership and Home Improvement Loan (HOHI) Program

Under this program, local governments designate areas that are in need of rehabilitation and request CHFA financing for the purchase and/or rehabilitation of housing by low and moderate-income persons therein. Local lenders, in turn, purchase commitments from CHFA to originate and service loans in the designated areas. Loans are made by private lenders to owner occupants and, in some circumstances, to non-occupant investors. These below market rate loans are insured and may be used for: 1) rehabilitation only; 2) purchase only; 3) purchase with rehabilitation; and 4) refinancing with rehabilitation. In order to qualify for a loan

under this program, a household's annual income must not exceed 120 percent of the County median income.

California Self-Help Housing Program

The California Self-Help Housing Program (CSHHP), formerly the California Housing Advisory Service, provides grants and loans to local government agencies and nonprofit corporations that assist low and moderate-income families to build or rehabilitate their homes with their own labor. Mortgage and technical assistance funds are available. CSHHP technical assistance grants are used to cover the various administrative and training costs associated with the provision of technical assistance to self-help households. These services include: training and supervision of self-help builders; project planning; loan packaging and counseling services; and workshops. Mortgage assistance funds are used to reduce the cost of the self-help units.

Mobilehome Park Assistance Program

The Mobilehome Park Assistance Program (MPAP) provides financial and technical assistance to low-income mobilehome park residents or to organizations formed by park residents who wish to own and/or operate their mobilehome parks. The technical assistance component of the program was established in 1983 by AB 1008 (McClintock). In 1984, SB 2240 (Seymour) established a revolving loan fund which added the financial assistance component to the program. MPAP loans bear a seven percent interest rate per annum. Conversion loans must be repaid within three years. The repayment of blanket and individual loans may be scheduled for up to 30 years.

Emergency Shelter Program

The Emergency Shelter Program (ESP) provides direct grants to local government agencies and nonprofit corporations that shelter the homeless on an emergency basis. Eligible grant activities include: rehabilitation; expansion of existing facilities; site acquisition (lease/purchase of site and/or facility); equipment purchase; one-time rent to prevent eviction; vouchers; and administration costs (no more than five percent of any single grantee award). New construction is not an eligible program activity.

Special User Housing Rehabilitation Program

The Special User Housing Rehabilitation Program (SUHRP) was enacted in 1983 by SB 26 (Petrus) as an outgrowth of the Demonstration Housing Rehabilitation Program for the Elderly and Handicapped, which was established in 1979. The program utilizes a 3 percent, 30-year deferred payment loan, which provides up-front subsidies for the rehabilitation and/or acquisition of substandard housing. SUHRP funds may be used for acquisition and/or rehabilitation of: substandard apartments which will be occupied by the elderly; group residences and apartments which will

be occupied by the physically, developmentally or mentally disabled; and residential hotels, which will be occupied by low or very low-income persons.

Predevelopment Loan Program

The Predevelopment Loan Program (PLP) provides seven percent loans to local government agencies and nonprofit corporations. The loans can be used for a variety of predevelopment expenses incurred in securing the long-term financing for the production or rehabilitation of subsidized low-income housing in both rural and urban areas. Loan terms range from one to three years. Loan funds may be used to purchase land or land options; pay advance fees for architectural, engineering, consultant, and legal services or permits; pay bonding and applications fees; cover site preparation expenses (including water and sewer development) and other related costs. Loans are also made to eligible borrowers for land purchase to land bank sites for future development of low income housing.

Senior Citizens Shared Housing Program

The Senior Citizens Shared Housing Program (SCSH) provides grants to local government agencies and nonprofit corporations to assist seniors in finding others with whom they can share housing. Services funded by the grants include: outreach, information and referral, client counseling, placement and follow-up. The program results in reduced housing costs, prevention of premature institutionalization, efficient use of existing housing stock, and increased security and companionship for seniors.

Rental Housing Construction Program

A Rental Housing Construction Incentive Fund was established via the passage of AB 333 in October 1979. Under this program, the State Department of Housing and Community Development may make cash grants to CHFA or local governments to pay for all or a portion of the development costs associated with the construction of rental housing. In exchange for such assistance, a regulatory agreement would be executed with the property owner restricting a portion of the units for occupancy by lower-income persons. The agreement would be in effect for 40 years.

As defined in the State Health and Safety Code, "development costs" means the aggregate of all costs incurred in connection with the construction of a rental housing development including: 1) the cost of land acquisition, whether by purchase or lease; 2) the cost of construction; 3) the cost of associated architectural, legal and accounting fees; and 4) the cost of related off-site improvements, such as sewers, utilities and streets. These costs may be defrayed as they are incurred or an annuity trust fund may be established to reduce monthly debt service payments over the life of the regulatory agreement. In this respect, the program could operate similarly to the Federal Section 8 program. In order to be eligible for assistance, a rental housing development must contain at least 5 units and not less than 30 percent of the units shall be reserved for lower-income households.

Deferred Payment Rehabilitation Loans

Established by the passage of SB 966 (Marks), Chapter 884 of 1978, and authorized in Health and Safety Code Section 50660, the Deferred-Payment Housing Rehabilitation Loan Program was designed to assist cities and counties with the rehabilitation of housing for low and moderate-income households. With the passage of AB 333 (Hughes), Chapter 1043 of 1979, and SB 229 (Roberti), Chapter 1042 of 1979 (in September 1979), the program was expanded to include local public entities other than cities and counties and nonprofit corporations that operate housing rehabilitation programs with Federal rehabilitation funds. Loans are made to public entities and nonprofit corporations that will, in turn, lend the funds to eligible property owners in the form of three percent interest, deferred- payment loans.

In order for a local public entity or nonprofit corporation to be eligible for loan funds from this program, it must have an operating rehabilitation program. Acceptable rehabilitation programs are outlined in the program regulations.

Generally, eligible borrowers are low or moderate-income owner-occupants of one-to four-unit properties and nonowner-occupants of rental properties. Loans are made to borrowers at three percent interest and must be repaid at the end of five years or upon the sale or transfer of the property, whichever comes first. Loans may be extended for additional five-year periods if owner-occupants are unable to repay the loans or, in the case of rental properties, if low-income tenants continue to benefit. There is no five-year repayment requirement on loans made to elderly owner-occupants. Local public entities/nonprofits repay the State at three percent interest upon collection from property owners.

LOCAL PROGRAMS

Marks-Foran Residential Rehabilitation Act

The Marks-Foran Act authorizes cities, counties, housing authorities, and redevelopment agencies to issue tax-exempt revenue bonds to finance residential rehabilitation. Under Marks-Foran, loans are made in areas designated for residential rehabilitation through a formal public hearing process. The community must make a commitment to enforce rehabilitation standards on 95 percent of the structures in the rehabilitation area and to provide the public improvements necessary to support rehabilitation.

Marks-Foran rehabilitation loans can be made for terms much longer than conventional loans (up to 40 years), bringing the cost within the reach of low and moderate-income residents. The loans may be made in any amount up to a maximum of \$35,000 per unit, or 95 percent of the anticipated value of the property after rehabilitation.

Marks-Foran loans are made through qualified lenders and must be insured. Loans and insurance may be by private mortgage insurers, as well as FHA, the California Housing Finance Agency, or a local agency using CDBG funds.

SB 170 (Marks), 1979, expanded the activities eligible for financing under the Marks-Foran Residential Rehabilitation Act to include the construction of new infill housing for low and moderate-income persons where it has been included in the adopted rehabilitation program plan, and acquisition of real property for rehabilitation, or property which has recently been rehabilitated. No more than 35 percent of the aggregate principle amount of all loans made in a rehabilitation area can be used for these purposes.

AB 1151 - Density Bonuses and Other Incentives

This legislation, which was enacted in October 1979, added Chapter 4.3 to the California Government Code requiring local governments to offer either density bonuses or other incentives to developers, who agree to construct either: 1) 25 percent of the total units in a housing development for low and moderate-income persons; 2) 10 percent of the total units of a housing development for lower-income households; or 3) 50 percent of the total dwelling units of a housing development for qualifying residents. This density bonus shall apply to housing developments consisting of five or more dwelling units. If a density bonus is granted, it must be at least 25 percent above the present allowable zoning. In lieu of a density bonus, a local government must provide at least two other incentives, limited only by the creativity of local officials. Incentives suggested in the legislation include: 1) exemption from park dedication requirements and the payment of fees in lieu thereof; 2) city construction of public improvements appurtenant to the proposed housing development; 3) local write-down of land costs; and 4) exemption from any provision of local ordinances which may cause an indirect increase in the cost of the units to be developed.

If the local government offers a direct financial contribution to a housing development through subsidization of infrastructure, land, or construction costs, steps must be taken to assure the availability of the low and moderate-income units for 30 years.

AB 655 - Multi-Family Bond Program

The County of Los Angeles, Community Development Commission has implemented a tax-exempt revenue bond program for new multi-family rental housing. The purpose of the program is to increase the supply of rental housing in the County and provide at least 20 percent of the units as affordable housing for low-to-moderate income residents.

The program utilizes tax-exempt revenue bonds issued by the County under AB 665. The bonds do not involve any pledge of County revenues, taxes, or assets.

Bonds are issued for projects which: 1) meet program requirements; 2) are located in the unincorporated areas of the County or in the incorporated areas with approval by both the City and the County and the execution of a "Cooperative Agreement"; 3) have the commitment fee paid by the developer; and 4) have necessary credit support from a private lender.

Permanent financing is currently being provided by the Federal National Mortgage Association (FNMA). Loans are amortized for 30 years and are due 12 years after the sale of bonds. Effective loan rates are anticipated to be between 10.5 and 11 percent. However, actual loan rates will depend upon market conditions at the time of bond sale.

Construction financing may be either conventional or funded with bond proceeds if FNMA is provided with an unconditional irrevocable Letter of Credit which meets its requirements. Permanent loans must be originated and serviced by a FNMA approved multi-family lender.

Mortgage Revenue Bonds

Mortgage revenue bonds (MRBs) are issued by cities and counties, housing authorities, redevelopment agencies, and State agencies, such as the California Housing Finance Agency, to support the development of multi-family or single-family housing for low and moderate-income households. MRBs enable the issuer (localities, housing authorities, etc.) to offer low-interest mortgage loans increasing ownership opportunities for households who have difficulty obtaining conventional financing.

MRBs for single-family housing are issued to finance the purchase or rehabilitation of owner-occupied homes. Proceeds from the bond sales are used to make mortgage or rehabilitation loans to qualified low or moderate-income home buyers. The bonds are serviced and repaid from the mortgage payments made by the property owners.

Multi-family MRBs are used to finance construction and mortgage loans as well as capital improvements for multi-family housing. Federal law requires that 20 percent of the total units in an assisted project be reserved for lower-income households (80 percent of median income).

Redevelopment - Tax Increment Financing

California Community Redevelopment Law allows redevelopment agencies to utilize the incremental increases in tax revenues generated by a project to pay for project-related activities. Under this technique, known as tax increment financing, a redevelopment agency may borrow money or sell bonds to finance improvements in a redevelopment project area and repay these debts utilizing the incremental increases in tax revenues generated by new or improved development occurring after the adoption of the redevelopment plan for the area. State law generally allows the

local community to determine the manner in which these tax increments will be used. However, the law specifically requires that 20 percent of the tax increments generated by redevelopment projects initiated after January 1, 1977, be devoted to the provision of housing for low and moderate-income persons. Such housing can be provided within the redevelopment project area or elsewhere in the City.

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